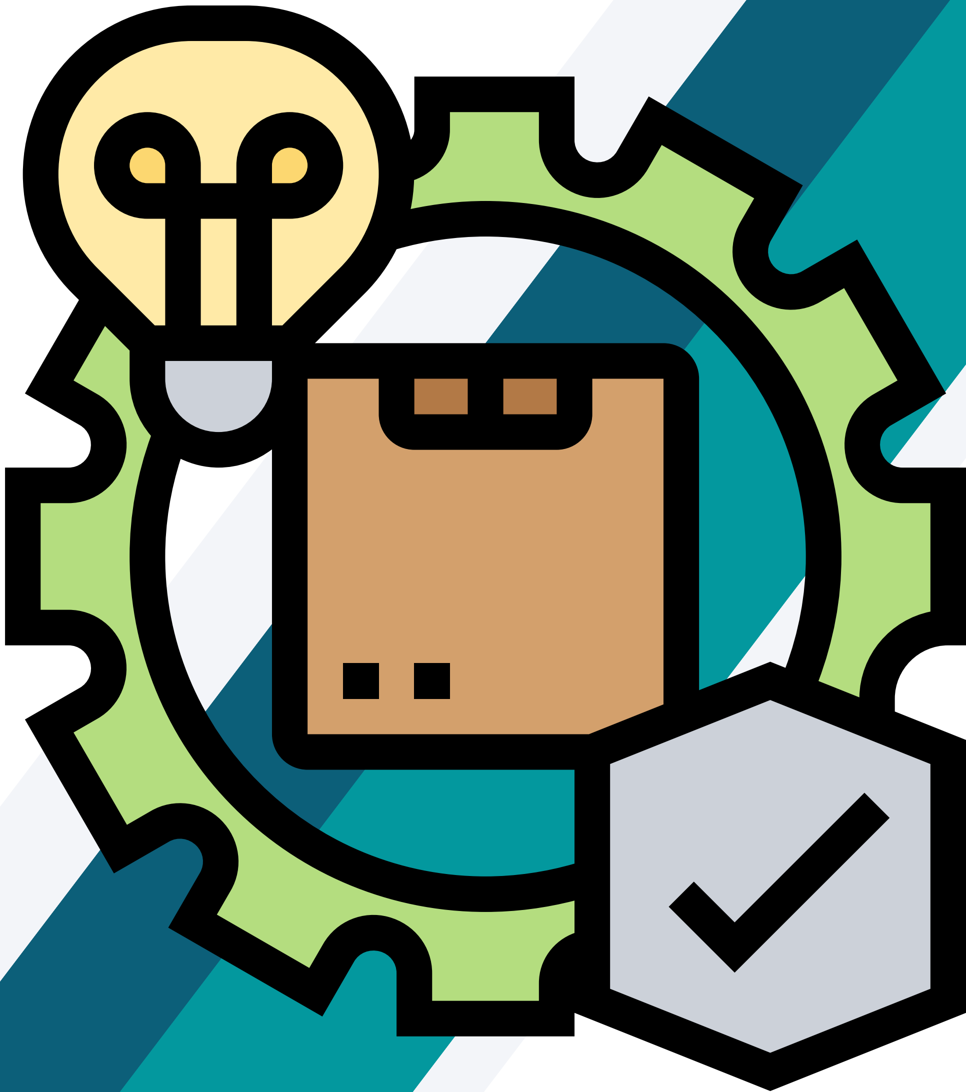
TELANGANA INDUSTRIAL HEALTH CLINIC LTD.



ANNUAL REPORT

2022-2023

Telangana Industrial Health Clinic Ltd, an innovative institution was promoted by the Government of Telangana in the year 2017 to provide holistic help to the stressed Micro and Small enterprises in the Manufacturing space (MSEs) suffering from various problems, particularly in the areas of inadequate financial support, financial stress, and incipient sickness. Its long-term goal is to improve the ecosystem surrounding this segment of the industry so that the incidence of stress and sickness can be brought down over a period of time. The Company is registered as a Non-Banking Finance Company with RBI.

TIHCL is supported by an experienced team of Management, younger operational executives and experienced consultants and alliances committed to contributing to the purpose. TIHCL believes that timely handling of financial stress and preventing Industrial sickness is an integral part of the development process. The majority of micro and small manufacturing enterprises face issues because they are unorganized and are constrained by stricter regulatory, financial, and recovery norms along with a lack of awareness.

This institution engages and coordinates with lending institutions and stressed entrepreneurs to help find solutions acceptable to both of them. TIHCL strives to provide solutions for financial and non-financial stress faced by MSEs, in the State of Telangana within the gamut of industry ecosystem comprising Entrepreneurs, Banks, FIs /Industries Department, and other stakeholders.

Non-financial Services:

• Consultation services such as Diagnostic studies, financial viability reports, and Revival plans including dealing with Banks and FIs.
• Account Monitoring and Hand holding services of stressed and Restructured units
• Priority release of sanctioned subsidies/investments by the State Government
• Onboarding services to electronic Platforms like GeM / TReDS

Financial Services:

- Loans by way of Margin Money, Critical Account Funding for stressed entrepreneurs
- Bridge Loans against sanctioned Investment subsidy.
- Exclusive Loan Products for women entrepreneur

Shri K Taraka Rama Rao

Minister of IT, Municipal Administration & Urban Development, Industries & Commerce, Government of Telangana

MESSAGE

The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Telangana economy over the last one decade. It contributes significantly to the economic and social development of the state by fostering entrepreneurship and generating large employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly to the inclusive industrial development of the state. The Micro and Small manufacturing enterprises contribute a lot in providing employment to skilled and semi-skilled people in rural and urban areas. They help in sustaining and nurturing the traditional skill sets of the State. Their resources are meagre to modest and thereby their ability to withstand the dynamics of a business environment is limited. Therefore, assistance by way of financial / non-financial help on a sustained basis and policy initiatives are key to their continuous survival.

Telangana is home to about 2.6 million MSMEs, out of which 56% are in rural areas and 44% in urban areas. MSMEs in Telangana boast as a vibrant and diverse sector, playing a pivotal role in driving employment, spurring industrial growth, and propelling overall economic development. In the progressive Telangana state, keeping in view the need for rapid industrial growth, the State has enacted various industrial policies, including TS-iPASS and set up Incubation / Prototyping Centers such as T-Hub, We-Hub and T-Works, which provide a wide range of services and benefits to the start-ups and Industrial establishments. Further, the State is initiating all required steps, viz., establishment of Industrial Clusters / Food Processing Zones / Textile Parks, etc., to improve the industrial eco system in the state, thereby incentivizing the promoters to establish their units. In this direction 28 Industrial parks are developed by TSIIC across 2500 acres of land. Green Industrial park for MSMEs in Dandumalkapur for more than 450 Units and Micro Industrial Park developed at Rayaraopeta, Bibinagar for Micro enterprises in 40 acres of land for 171 Units.

Another important milestone in Telangana's SME Ecosystem is establishment of Telangana Industrial Health Clinic Limited (TIHCL) as a 'Diagnostic' and 'Curative' industry initiative to revive and rehabilitate stressed and sick Micro and Small Manufacturing Enterprises (MSEs) in the state of Telangana. TIHCL was established to provide such assistance in a balanced way with continuous and meaningful engagement with the stakeholders and help in revival of stressed enterprises. Banks and other FIs that play a crucial role in financing MSEs will benefit by utilizing the services of TIHCL so that stressed enterprises can be revived, employment sustained, and the economy improved. The progressive and innovative steps taken by the Telangana State over the years on various fronts including MSME have resulted in an impressive Gross State Domestic Product (GSDP) of Rs.13.27 lakh crores with growth @ 15.6% at current prices. Contribution of Telangana's GSDP to India's GDP at Current Prices improved from 4.1% for 2014-15 to 4.9% for 2022-23. I wish all the best to TIHCL in their future endeavors and hope for them to grow multi-fold in coming years.

Shri K. Taraka Rama Rao

Shri Jayesh Ranjan I.A.S

Principal Secretary of the Industries & Commerce (I&C) and Information Technology (IT) Departments of the Telangana Government

MESSAGE FROM CHAIRMAN

Business-friendly policies and proactive measures taken by the State government to facilitate business have created a conducive environment that has spurred industrial growth in the state. In the year 2022-23, the industrial sector's contribution to the Gross State Value Added (GSVA) at current prices is estimated at 19.0%. The sector registered a nominal GVA growth of 10.5% over the previous year. 21% of the working population in the state are employed by the industries sector.

The state has made continuous efforts for the growth of the MSMEs through its innovative policies, which have resulted in increased investments and employment opportunities. MSMEs in Telangana are a vibrant and diverse sector, playing a pivotal role in driving employment, spurring industrial growth, and propelling overall economic development. The Government is committed to creating employment by focusing on increasing the number of MSMEs and improving the scale of the existing enterprises in the state.

In the Post COVID scenario, to address disruptions caused by the Covid-19 pandemic, the State has taken various policy initiatives and administrative measures to assist needy units to come out of the stress and to recommence their manufacturing activity. This has helped the MSME sector and post-COVID, most of the Units are reaching normalcy and functioning uninterruptedly. Further, the State has focused on the following to ensure financial sustainability in Micro and Small Manufacturing Units (MSEs):

- Prevent incipient sickness
- Create service offerings for Revival, Restructuring and Rehabilitation
- Promote investments in manufacturing MSEs in clusters across the State
- Prepare the MSEs to participate in the Equity markets to achieve the next growth levels.

Despite all the efforts put in by the State, due to the inherent reasons, many enterprises are getting into stress / sickness. As it may be difficult for the Banks / FIs to proactively deal with such a large level of stressed Units, Telangana Industrial Health Clinic Limited (TIHCL) has been providing required assistance in a balanced way with continuous and meaningful engagement with the stake holders and help revival of enterprises.

I am happy to note that TIHCL is extending timely assistance, on a continuous basis, to the needy units in revival and rehabilitation. I wish them all the best in their future endeavors.

Shri Jayesh Ranjan I.A.S

Shri Venkateswarlu Sistla

Managing Director & CEO

MESSAGE FROM MD & CEO

Post-COVID, the year 2021-22 being a year of revival, the year 2022-23 has been a year of progression for TIHCL. On lifting of lockdowns and easing of COVID pandemic, we observed that Micro and Small Enterprises have encountered a myriad of problems. We have associated with some of the Units who have encountered such problems and guided / helped them in coming out of such problems.

The commitment of TIHCL is a stamp of quality and transparency with a single purpose to help maintain, manage, and restore the health of Micro and Small manufacturing enterprises.

During the year 2022-23 we have expanded our activities, both financial and non-financial, and are able to serve more needy clientele. I am happy to share that with a dedicated and committed workforce, the TIHCL team has been able to turn around and achieve profit for the first time since its inception. I humbly assign this achievement to all the stakeholders who have helped / encouraged the team TIHCL in achieving this novel triumph.

The client engagement process continued with more vigor through meetings, formal and informal and through workshops with MSE entrepreneurs. The other stakeholders in the eco system, particularly Banks, continued to be engaged to provide help to the clients under financial stress.

We have also entered MOUs with some of the stakeholders who can extend specialized services to SME entrepreneurs. Through these MOU Partners, we are extending specialist services to needy customers, as a value-added service. Some of our customers have also benefited from these services.

We are putting all efforts to mobilize more financial resources by way of contributing to our corpus or by way of Grant. Talks with some of these organizations are in an advanced stage and we are hopeful of materialization of these efforts soon.

With the continued efforts of Team – TIHCL and all other stakeholders, I am confident of maintaining upward movement of business and sustained improved profitability for years ahead.

TIHCL will continue to strive to achieve the purpose for which it was established and continue to be prudent in its activities.

Shri. Venkateswarlu Sistla

OUR 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 Krishna Bhaskar, I.A.S

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

Shri E. Venkat Narsimha Reddy, I.A.S

He is the Vice Chairman & Managing Director, Telangana State Industrial Development Corporation (TSIDC), Hyderabad. He plays a key role in supporting the industrial development in the state.

Dr. Yerram Raju Behara

He is the Founder Director of 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 Venkateswarlu Sistla

He had 35 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 retired as Chief General Manager from State Bank of India in the year 2021 and took up the present assignment as MD & CEO of TIHCL in May 2022

OUR 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. 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. Srinivasa 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 Managing Director.

Dr. A.S.Ramasastri

He retired as director of IDRBT (established by Reserve Bank of India), he had actively led the development and growth in the areas of relevance to banking like Cyber Security, Analytics, Cloud Computing and Payment Systems. Earlier he was the Chief General Manager-in-Charge of Department of Information Technology at Reserve Bank of India and was the founder Chairman of IFTAS, a company promoted to provide technology services to banking and financial sectors.

Shri Srinivas Garimella

He has rich entrepreneurial experience involving marketing & operations strategy and has expertise in building frameworks for performance improvement. He is the Managing Director of Vega Conveyors & Automation Pvt Ltd., a 100% subsidiary of Daifuku Co Ltd, Japan

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, company's 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 framework
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 2023

Category	**No.of directors**	**Names**
Whole-time Directors	1	Shri Venkateswarlu Sistla
Official Directors	3	Shri Jayesh Ranjan,I.A.S Shri D. Krishna Bhaskar,I.A.S Shri E. Venkat Narsimha Reddy,I.A.S
Non Executive Non- Independent	1	Dr. Yerram Raju Behara
Independent Directors	5	Dr. B. Kinnera Murthy Dr. N. Krishna Mohan Shri S. Srinivas Rao Dr. A.S. Ramasastri Shri Srinivas Garimella
Total	**10**	

Details of Board Meetings during the financial year 2022-23

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	07/06/2022	10	08
2	12/10/2022	10	08
3	05/12/2022	10	09
4	07/02/2023	10	06
5	14/03/2023	10	08

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

Director	No. of Board Meetings attended	Attendance at AGM
Shri Jayesh Ranjan	05	01
Shri D. Krishna Bhaskar	02	-
Shri E. Venkat Narsimha Reddy	02	01
Dr Yerram Raju Behara	04	01
Shri Venkateswarlu Sistla	05	01
Dr. B. Kinnera Murthy	03	-
Dr. N. Krishna Mohan	05	-
Shri S. Srinivas Rao	05	-
Dr. A.S Ramasastri	02	-
Shri Srinivas Garimella	05	-

Leave of absence is granted to-	On the dates
Sri D. Krishna Bhaskar	5.12.2022,7.02.2023 & 14.3.2023
Shri E. Venkat Narsimha Reddy	07.06.2022,12.10.2022, 07.02.2023
Dr Yerram Raju Behara	07.06.2022
Dr. B.Kinnera Murthy	07.12.2023,14.03.2023
Dr. A.S Ramasastri	07.06.2022,12.10.2022 & 7.02.2023

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

Composition of Management Committee

Category	No. of Directors	Names
Whole - time Directors	1	Shri Venkateswarlu Sistla
Non - Executive Non- Independent Director	1	Dr. Yerram Raju Behara
Non - Executive Independent Directors	2	Dr. N. Krishna Mohan Shri S.Srinivasa Rao
Total	4	

Details of Management Committee Meetings held during the financial year 2022-23

Sl. No	Date	MC Strength	No. of Directors Present
1	06/04/2022	4	4
2	28/09/2022	4	4
3	07/01/2023	4	4
4	04/03/2023	4	4

Director	No. of Meetings attended
Shri D V Suresh Kumar	1
Shri Venkateswarlu Sistla	3
Dr. Yerram Raju Behara	4
Dr. N. Krishna Mohan	4
Shri S. Srinivas Rao	4

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.

WHISTLE BLOWER POLICY

TIHCL has incorporated Whistle Blower Policy in the 2nd Board Meeting of the year 2018-2019.

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. 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.

MSMEs in India

The Government of India has introduced **MSME or Micro, Small, and Medium Enterprises** in agreement with Micro, Small and Medium Enterprises Development (MSMED) Act of 2006. These enterprises primarily engaged in the production, manufacturing, processing, and preservation of goods and commodities.

MSMEs are an important sector for the Indian economy and have contributed immensely to the country's socio-economic development. It not only generates employment opportunities but also works hand-in-hand towards the development of the nation's backward and rural areas. According to the invest Telangana, The estimated number of MSMEs in India is a staggering 63.388 million (according to MSME Ministry annual report of 2021-22). One of the major driving factors of India's GDP growth is the MSME industry, which employs 40% of India's Workforce (123.62 M), contributing 44% of the output and 43% of the exports.

Category	Investment in plant and machinery (in INR Cr)	Turnover (in INR Cr)
Micro	Up to 1	Up to 5
Small	1 > 10	5 > 50
Medium	10 > 50	50 > 250

MSMEs Redefined : A proposal was made to redefine MSMEs by the Micro, Small and Medium Enterprises Development (Amendment) Bill, 2018, to classify them as manufacturing or service - providing enterprises, based on their annual turnover.

Classification of enterprises into micro, small and medium enterprises (in Rs)

Kind of enterprise	Act of 2006		Bill of 2018
	Manufacturing	Services	All enterprises
	Investment towards plant & machinery	Investment towards equipment	Annual Turnover
Micro	25 lacs	10 lacs	5 Cr

Small	25 lacs to 5 Cr	10 lacs to 2 Cr	5 Cr to 75 Cr
Medium	5 Cr to 10 Cr	2 Cr to 5 Cr	75 Cr to 250 Cr

Benefits of the above-proposed reclassification

According to the proposed reclassification or the new classification, there would be no need for frequent inspections to check the investment in plant and machinery. Also, the operations of MSMEs would be transparent, non-discriminatory, and objective in nature.

Importance of MSMEs for the Indian Economy

Across the globe, MSMEs are accepted as a means of economic growth and for promoting equitable development. They are known to generate the highest rate of growth in the economy. MSMEs have driven India to new heights through requirements of low investment, flexible operations, and the capacity to develop appropriate native technology.

1. MSMEs employ around 124 million persons, becoming the second-largest employment generating sector after agriculture.
2. With approximately 45 lac units throughout the country, it contributes about 6.11% of GDP from manufacturing and 24.63% of the GDP from service activities ,for FY 2021-22.
3. MSME ministry targets to increase its contribution towards GDP by up to 50% by 2025 as India moves ahead to become a $5 trillion economy
4. Contributing around 44% of overall Indian exports
5. MSMEs promote all-inclusive growth by providing employment opportunities, especially to people belonging to weaker sections of the society in rural areas.
6. MSMEs in tier-2 and tier-3 cities help in creating opportunities for people to use banking services and products, which can amount to the final inclusion of the contribution of MSMEs for the economy.
7. MSMEs promote innovation by providing an opportunity to budding entrepreneurs to help them build creative products hey and thereby boost competition in business and fuel the growth.

The Indian MSME sector provides silent support to the national economy and acts as a defense against global economic shock and adversities. Hence, we can say that India is propelling towards a robust global economy through a silent revolution powered by MSMEs.

TELANGANA

It is estimated that Telangana is home to about 2.6 million MSMEs, out of which 56% are in rural areas and 44% in urban areas. As many as 19,954 registered MSME units have commenced their operations since the formation of the state, with an investment of about Rs. 31,023 crores.

Category	No.Of Units	Investment Value (in INR Cr)	Employment Generated
Micro	13,546	5,099	1,35,547
Small	5,830	15,946	1,65,242
Medium	578	9,978	62,699
TOTAL	19,954	31,023	3,63,488

Infrastructure in Telangana for MSMEs

- There are 28 Industrial parks developed by TSIIC which are available for MSMEs across 2500 acres of land. 6 new parks have been proposed and 12 are under upgradation.
- Green Industrial park for MSMEs in Yadadri – Industries Minister inaugurated Dandumalkapur TSIIC-TIF-Micro Small and Medium Enterprises (MSMEs) Green Industrial Park in Nov 2019. MSME Park is expected to attract 1,553 crore investments, house more than 450 industries and generate about 35,000 jobs. This is the first model industrial park to be set up for the MSME sector after the formation of Telangana. The government provided the infrastructure and basic amenities in the park and also laid a road from the park to the national highway.
- Micro Industrial Park, Rairaopeta, Bibinagar, Yadadri – A new Industrial park development started during 2020-21, for Micro enterprises in 40 acres of land for 171 units. The park will attract investments of Rs. 420 Crores and provide direct employment to 4200 people

Upcoming Clusters

- Plastic Cluster, Thummalur, Rangareddy
- Leather Cluster, Station Ghanpur, Warangal Urban
- Seed Processing Cluster, Bandamailaram, Siddipet
- National Investment and Manufacturing Zone (NIMZ), Zhaeerabad, Sangareddy
- Kakatiya Mega Textile Cluster, Warangal Rural
- Spice Cluster, Nizamabad

OTHER RECENT INITIATIVES

SIDBI: Government of Telangana entered into an MoU with Small Industries Development Bank of India (SIDBI) in Jan 2022 for a period of three years. Under the agreement, a project management unit (PMU) will be deployed by SIDBI to work with the Government. The PMU will design schemes in the areas of equity support, interest subvention, resolution of stressed MSMEs, learning events for entrepreneurs etc. The PMU will study existing frameworks of schemes, interventions, initiatives, projects currently available for the benefit of MSMEs in the State and will propose amendments, with the aim of improving efficiency and removing bottlenecks. The PMU will also prepare a process for handholding MSMEs in the state for onboarding digital platforms such as PSBLoansIn59Minutes, Stock Exchange listing, e-commerce platforms such as the government's e-Marketplace, etc. It will work closely with Telangana Industrial Health Clinic in supporting revival of sick MSEs and also provide policy advocacy support. SIDBI will also implement the Cluster Development Fund (SCDF) scheme in the State.

NSE: Government of Telangana and National Stock Exchange (NSE) signed an MoU in March 2022 to fuel growth of MSMEs in the State. As part of the understanding, NSE with the support of the Government of Telangana will conduct awareness drive through seminars, MSME camps, knowledge sessions, road shows, workshops to guide corporates across the state for fund raising on NSE Emerge platform and also handhold the companies in listing process. On its part, the Government of Telangana shall facilitate MSMEs to get listed on the NSE Emerge, by considering ways to reimburse percentage of expenses incurred on raising of funds, with a pre-defined upper limit to encourage the MSMEs to opt for raising of capital through SME Exchanges. Telangana Government will also explore the possibility of setting up a government sponsored equity participation fund to invest in the fast-growing SMEs in the State, on the Exchange platform.

JustDial: Government of Telangana signed an MoU with Just Dial in March 2022 to increase the ease of doing online business for MSMEs in Telangana. Just Dial will provide registered MSMEs of the State with free listing facilities and other services under the MoU for a period of 3 years.

BharatCall: Government of Telangana signed an MoU with BharatCall in December 2021 to create equal opportunity for all MSMEs in the State and remove digital barriers. The MoU benefits will largely cater to the segment of businesses which still do not have an online presence and even lack the basic internet services, and also to businesses which may have access to internet but lack the necessary digital resources. BharatCall technology will allow the content posted by the owner of a phone number directly on an inbound caller's screen during ordinary phone calls.

2023 MSME Outlook - Ease of doing business for MSMEs

1. CGTMSE:

Budget 2023 puts Rs 9,000 crore in credit guarantee scheme for MSMEs. The Central Government announced revamping the credit guarantee scheme under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) with the infusion of Rs 9,000 crore in the corpus, effective April 1, 2023. The revamp will enable additional collateral-free credit of Rs 2 lakh crore to MSMEs while the cost of credit will be reduced by 1 per cent.

The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has upped the coverage ceiling under its Credit Guarantee Fund Scheme from Rs.2 Crore to Rs.5 Crore per borrower for credit facilities extended by lending institutions to Micro and Small Enterprises (MSE). CGTMSE, set up by the Government of India and SIDBI provide guarantee to enable MSEs access credit, reduction in guarantee fee for loans up to Rs.1 Crore to bring down the cost of credit and doubled the threshold limit for waiver of legal action by lenders while invoking guarantee to Rs.10 Lakh per claim.

2. **TReDS:**

The Reserve Bank of India (RBI) expanded the scope of the Trade Receivables Discounting System (TReDS) to improve the cash flows for MSMEs. As MSMEs don't have deep pockets, they often face a cash crunch. A delay in payment for goods or services provided to a client - government or private - can sometimes land a heavy blow on small businesses. The fear of such a situation force many to stay away from undertaking projects that are lucrative but may have a delayed payment cycle. MSMEs became even more hard-pressed for funds after the Covid pandemic began. Units that were not able to manage the acute resource crunch had to cease operations.

RBI Governor announced, "It is now proposed to expand the scope of TReDS by providing insurance facility for invoice financing, permitting all entities and institutions to undertaking factoring business to participate as financiers in TReDS and permitting rediscounting of invoices,"

With the above changes in TReDS, MSME entrepreneurs can have comfortable access to Bill Discounting markets.

3. **5 Crore Udyam-registered MSMEs:**

The Udyam registration portal, which had 1.29 crore MSMEs registered is targeted to reach 5 crore registration count in 2023 – nearly 4x estimated growth in 12 months. This would further the ministry's goal to formalise the MSME sector as it will also "open the gates to formal and affordable credit to registered MSMEs." Over 95 per cent of registered units currently are micro enterprises.

4. **Digitised SME loans:**

The Reserve Bank of India (RBI) may enable end-to-end digitisation of loans to MSMEs in 2023 along with complete digitalisation of Kisan Credit Card (KCC)-based loans depending on the learnings from the ongoing pilot project of digitised KCC lending, according to the central bank governor Sri Shakti Kanta Das.

5. **AA, OCEN to enable Rs 3 trillion MSME lending:**

With the next fintech wave coming with the rise of cash flow-based lending to MSMEs, the lending potential of about Rs 3 trillion next year itself for MSMEs will be based on GST Invoices and bank statements made available on account aggregator (AA) and banks adopting OCEN (Open Credit Enablement Network).

6. **SIDBI To Launch "GST Sahay" App for Invoice Financing Loans for MSMEs:**

The Small Industries Development Bank of India (SIDBI) will soon launch an app-based invoice financing loans platform for MSMEs called GST Sahay. The aim is to enhance the economic and financial sustainability of Micro, Small and Medium Enterprises (MSME). SIDBI Officials announced this at a customer outreach programme.

"The new invoice platform-GST Sahay will reduce the problem of delayed payments and consequential cash flow mismatches for the MSMEs. The GST Sahay will be an invoice-financing marketplace where MSMEs can use their unpaid invoices to get quick working capital loans".

7. SIDBI offers 100% funding for MSMEs' green and clean projects:

Small Industries Development Bank of India (SIDBI) has announced 100% funding for green and clean projects of MSMEs, marking a significant step towards green financing.

SIDBI invites MSMEs to avail of SIDBI's financial schemes for installing solar energy and adopting energy efficient machineries and business processes. SIDBI extends 100% loans at interest rate as low as 7%-8% depending on the credit rating of MSMEs for installing rooftop and ground mounted solar rooftop power projects. SIDBI lent up to Rs. 7.5 crore to eligible MSMEs without charging processing fee by taking 25% margin money as security under their new credit scheme in partnership with Tata Power.

8. **Launch of a new credit guarantee scheme by the Department of Animal Husbandry & Dairying (DAHO):**

The Department of Animal Husbandry & Dairying (DAHO) under the Ministry of Fisheries, Animal Husbandry and Dairying announced the launch of a new credit guarantee scheme. The Scheme under the Animal Husbandry Infrastructure Development Fund (AHIDF) aims to facilitate collateral-free credit for MSMEs in the livestock sector. To operationalize the scheme, DAHO said it has set up a credit guarantee fund trust of Rs.750 Crore for credit guarantee coverage of up to 25 percent of loans disbursed to MSMEs by eligible banks and other lending institutions.

9. **Memorandum of Association between Udyam & Credit Guarantee Fund Trust:**

The Ministry of MSME announced the signing of a Memorandum of Association between Udyam and Credit Guarantee Fund Trust for Micro and Small Enterprises to share data of the registered enterprises on Udyam with the government's collateral-free loan scheme for micro and small enterprises (MSEs). This collaboration is sought to enable more MSMEs to avail the benefits under the Credit Guarantee Scheme for Micro and Small Enterprises (CGTMSE).

COMPANY OVERVIEW

Telangana Industrial Health Clinic has started its journey on 17.01.2018 as Non-Banking Finance Company promoted by Government of Telangana. The Company's objective is to provide a holistic support to the stressed Micro and Small enterprises in Manufacturing space (MSEs) suffering from incipient sickness and sickness as majority of micro and small manufacturing enterprises face innumerable problems, because they are unorganized and are strangulated by stricter regulatory, financial and recovery norms. 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 Empathy for MSEs, Improvement of eco system and Lean management institutional practices, with expert leadership at the helm of its affairs, TIHCL is supported by expert team of Management, younger operational executives and experienced 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.

This institution works in close coordination with the existing lending institutions and rebuild the trust between them and the stressed entrepreneurs. It supplements and works with the existing lending institutions. TIHCL strives to provide solution for financial and non-financial problems 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 stakeholders.

Vision

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

Mission

- To Guide, Mentor and Support Manufacturing MSEs.

Values

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

What we provide

1. Credit Facilitation

Providing the supplementary finance or part-equity required by new enterprises in cluster locations at the stage of business commencement. Our objective is to provide 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.

2. Overdue Bill Purchase

TIHCL will provide finance to entrepreneurs 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 entrepreneurs to distance from NPA trap. TIHCL will finance only bills drawn on PSU and government departments.

3. 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.

4. Stressed Asset Financing (SAF)

Based on the Diagnostic / TEV study conducted by TIHCL, where felt necessary, 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.

5. Bridge Finance

TIHCL will provide finance against sanctioned investment subsidies / incentives (T-ldea). TIHCL will provide finance up to 75% of sanctioned investment subsidy / incentive generally and other subsidies on a case-to-case basis.

6. 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, wherever required.

7. WE (Women Enterprise) Loans

TIHCL will provide financial assistance to existing manufacturing enterprises managed and owned by women entrepreneurs and provide Counselling and guidance to run and/or expand the business.

8. SWASHAKTI

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.

9. Priority Sanction

TIHCL, on enquiry received from Industries and Commerce Department, will conduct a study, in coordination with respective District Industries Centre, on the financial stress, if any, of an Enterprise & provide recommendations to the I&C dept through its Study Report, for consideration of early release of sanctioned investment subsidy (T-ldea).

Operations of TIHCL

The company as on 31st March 2023 handled 550 clients providing them consultancy and advisory services thereby providing resolution to their problems, in the last 5 years. It has also provided funding assistance for 57 to the extent of Rs.776.10 lakh. TIHCL has provided Diagnostic study reports for 488 units helping for priority release of incentives in the last 5 years.

MOUs s have been entered with 7 organizations including State Bank of India and Federation of Telangana Chambers of Commerce.

Marketing Strategy

a. TIHCL engages with Banks and MSMEs involving considerable time in awareness and identifying the potential enterprise. Apart from this TIHCL also engaged with Industrial association and IALAs.
b. TIHCL has spread its wings by conducting training session to IPOs and Additional Director of COI department to make them familiarized with Banking terminology and which in turn helps MSEs
c. A new initiative of Doorstep engagement with the Micro and Small entrepreneurs who are facing stress at the industrial clusters has been started with a view to enhance our involvement so that adequate help can be provided. This engagement intends to resolve the issues, financial or non-financial, faced by the businesses at the ground level. Initially started with Patancheru and Pasa mailaram clusters.
d. Additional New services have been introduced to help enterprises for onboarding into online portals such as TReDS (Trade Receivables Discounting System) , Udyam registration, and GEMs implementation
e. To identify the reasons for stress in SMEs, particularly in post covid scenario, a study has been conducted with a sample base of 309 units in Cherlapally Industrial Area.

Growth strategy

Our growth strategy is to increase productivity in terms of marketing by reaching to potential industrial parks and other areas, digital communications and close engagement providing non-financial and financial support.

Risk Management

The Company recognizes the importance of Risk Management in terms of identification, measurement, mitigation and monitoring. Our risks in the areas of Credit risk, operational risk and market Risk. Besides Credit, other risks , going forward, would be liquidity, interest rate and reputational risk. 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. The Company has put in place certain basic measures to take care of the risks associated with its operations. New products as and when introduced are weighted in the light of comprehensive risks associated with such products, mitigation thereof suitably.

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 these challenges 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 and funding for needy entrepreneur
- ✓ Efforts to improve the eco-system
- ✓ Exploring for new products to assist the SME units, particularly those which are under stress.

DIRECTORS' REPORT

Dear Member,

Telangana Industrial Health Clinic Limited

Your Directors have pleasure in presenting the 06th 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, 2023.

FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended 31st March,2023 is summarized below:

(Amount in '000)

Particulars	Year ended 31st March, 2023.	Year ended 31st March, 2022.
Revenue from Operations	15596.85	9496.26
Other Income	6621.73	6483.48
Total Revenue	**22218.59**	**15979.74**
Expenses	18623.41	15117.71
Depreciation	1668.75	1664.25
Total Expenses	**20292.16**	**16781.96**
Profit / (loss) before exceptional and extraordinary items and Tax	1926.42	(802.23)
Less: Prior Period Items	75.00	38.68
Profit/ (loss) Before Taxation	2001.42	(763.55)
Less: - Current Tax - Income Tax (Earlier years) - Deferred Tax	- - (184.00)	- - (110.78)
Profit / (loss) After Tax	2185.42	(652.77)

STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the financial year ended 31st March, 2023, the company has earned revenue of **Rs. 222.19 lakh** and incurred expenses of **Rs. 202.92 lakh.** Company has got profit of Rs. 21.85 lakh. The company has earned profits for the first time since it's incorporation as against a loss of Rs.6.53 lakh for the previous financial year, after making adjustment for prior period Item of Rs. 0.75 lakh and Deferred tax amount Rs. 1.84 lakh.

MATERIAL CHANGES AND COMMITMENTS

No material changes or 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.

DIVIDEND

No dividend is being recommended as the company has not met with the requirements prescribed by RBI for declaration of dividend,

TRANSFER TO RESERVES

An amount of Rs.4.37 lakh, being 20% of net profit, was transferred to the Statutory Reserve during the financial year ended 31st March 2023.

DEPOSITS

The Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the financial Year 2022-23.

SHARE CAPITAL

The Authorized 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. There is no change in the capital during FY 2022-23.

MEETINGS OF THE BOARD OF DIRECTORS

For the financial year 2022-23, Five Meetings of the Board of Directors of the Company were convened and held on 7.6.2022, 12.10.2022, 5.12.2022, 07.02.2023 and 14.03.2023

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, 2023 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 were 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.

ANNUAL RETURN

As per Companies Amendment Act, 2017, wherein Section 92 (3) has been substituted with new provision which is as follows:

"Every Company shall place a copy of the Annual Return on the website of the Company, if any, and the web-link of such Annual Return shall be disclosed in the Board's Report in place of extract of Annual Return".

The copy of Annual Return in Form MGT-7 as on March 31, 2022 is available on the Company's website and can be accessed at the given web-link http://tihcl.telangana.gov.in

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

RISK MANAGEMENT

The Board vide its Agenda item No. 7 in its meeting held on 12.10.2022 approved the Risk Management Policy and also constitution of Risk Management Committee (RMC) of the Board. During the year 2022-23 a meeting of the RMC was held on 31.03.2023.

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 as follows:

S.No	Name of Director	Designation
1.	Sri Jayesh Ranjan	Director
2.	Sri Krishna Bhaskar Devarakonda	Director
3.	Sri Venkat Narsimha Reddy Ettireddy	Director
4.	Sri Behara Yerram Raju	Director
5.	Sri Sriramshetty Srinivasa Rao	Independent Director
6.	Dr. Krishna Mohan Nori	Independent Director
7.	Dr. Kinnera Murthy Bhagavatula	Independent Director
8.	Sri Allamraju Subramanya Ramasastri	Independent Director
9.	Sri Srinivas Garimella	Independent Director
10.	Sri Venkateswarlu Sistla	Managing Director

Sri Venkateswarlu Sistla has been appointed as Managing Director of the company w.e.f 07.06.2022 for a period of three years, in place of Sri Suresh Kumar Devalam Venkata whose term of appointment expired on 31.05.2022.

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 providing 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 are not applicable to the Company. Therefore, the Company had not constituted CSR committee.

STATUTORY AUDITORS

M/s. **Ramesh Athasniya & Company**, 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 01.04.2022 to 31.03.2023.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, statutory auditors have 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 Director's report.

BOARD'S COMMENT ON THE AUDITORS' REPORT

The observations of the Statutory Auditors, when read together with the relevant notes on 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 2023, 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 of 31st March 2023 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.

SELECTION OF INDEPENDENT DIRECTORS

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered, as an Independent Director on the Board. The Board, inter alia considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's policy for selection of directors and determining directors' independence.

In the opinion of the Board the Independent Directors possess the integrity, expertise and experience (including the proficiency) of the independent directors.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The company has received necessary declarations from each Independent Director of the company under Section 149(7) of the Companies Act, 2013.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the period under review, there was no application made nor any proceeding initiated or pending under the Insolvency and Bankruptcy code, 2016.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

No loans were borrowed so far either from Banks or Financial Institutions.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the company under any scheme save and except Employees' Stock Options Schemes referred to in this report.
- There has been no change in the nature of business of the company.

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

Sd/-	**Sd/-**
Venkateswarlu Sistla	**Jayesh Ranjan**
Managing Director	**Chairman & Director**
DIN: 09630397	**DIN: 00003692**

Date: 28.10.2023

Place: Hyderabad

महालेखाकार का कार्यालय (लेखापरीक्षा)
तेलंगाना, हैदराबाद

सत्यमेव जयते

OFFICE OF THE ACCOUNTANT GENERAL (AUDIT)
Telangana, Hyderabad

Lr. No. AG (Audit)/TSC/AA/TIHCL/2022-23/84 Date: 06.09.2023

To
The Managing Director & CEO,
Telangana Industrial Health Clinic Limited,
#5-9-58/B, Parishrama Bhavanam, Fateh Maidan Road,
Basheerbagh, Hyderabad-500 004.

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 Telangana Industrial Health Clinic Limited for the year ended 31 March 2023

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 31 March 2023 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 2022-23 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 2022-23 are to be furnished in due course without fail.

Yours faithfully,

Encl: As above

(J. Nikhil Chakravarthi, IAAS)
Sr. Deputy Accountant General/AMG-II

COMMENTS OF TUE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The Preparation of financial statements of Telangana Industrial Health Clinic Ltd for the year ended 31st March 2023 in accordance with financial reporting framework prescribed under Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the comptroller and Audited General of India under section 139 (5) of the Act are responsible for expressing opinion on 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 dated 07.07.2023.

I, on behalf of the Comptroller and Audit General of India, have decided not to conduct the supplementary audit of the financial statements of Telangana Industrial Health Clinic Limited for the year ended 31 March 2023 under section 143 (6) (a) of the Act.

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

Place: Hyderabad
Date: 06.09.2023

(Sudha Rajan)
Accountant General (Audit)

RAMESH ATHASNIYA & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S OPINION

To
The Members of
TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED,
Hyderabad.

Report on the Audit of the Financial Statements:

Opinion:

We have audited the accompanying financial statements of ***M/s TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED ("the Company"),*** Hyderabad which comprise the Balance Sheet as at **31st March, 2023,** the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and notes to financial statements including 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standard) Rules, 2015, and other accounting principles generally accepted in India of the state of affairs of "the Company" as at March 31, 2023, the Profit and Loss and it's cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with 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 rules thereunder. We have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information - Board of Directors Report:

The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider and report whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements:

The Company's Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (1) of section 143 of the Act, 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 (3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of sub-section (2) of section 164 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 B".

   (g) With reference 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 explanation given to us:

      (i) The Company has no pending litigations which impacts on its financial position in its financial statements.

      (ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

      (iii) The company does not have any such amounts required to be transferred to Investor Education and Protection Fund during the financial year under audit, hence the provisions relating to transfer of amount to Investor Education and Protection Fund are not applicable.

(h) (a) Management has represented that, the company has not advanced/ loaned/ invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) above, contain any material misstatement.

For RAMESH ATHASNIYA & COMPANY,
Chartered Accountants,

SD/-
CA. RAMESH ATHASNIYA
Partner,
M.No. 204976
Firm Reg No.007480S

Date: 07th July, 2023
Place: Hyderabad

ANNEXURE A TO THE AUDITOR'S REPORT
(Referred to in Paragraph (1) of our Report of even date to the members of (M/s TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED)

(i). (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) Accordingly, clause 3(i)(c) of the Order is not applicable .

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii).(a)The Company is a Non-Banking Financial company, primarily helping Micro and Small enterprises in manufacturing sector by providing consultancy and financial services in the State of Telangana. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii). During the year the Company has granted loans to Companies, firms, Limited Liability Partnerships etc.

(a) According to the information and explanations given to us as the Company is registered as an NBFC whose principal business is to give loans, accordingly Clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not provided any guarantees during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and repayment of interest has been stipulated and the repayments or receipts have been regular. Except for the following receipts are irregular.

NO.	Name of the Unit	Date of Advance	Sanctioned Limit	Date of NPA	Real Account Balances as on 31/03/2023	Recoveries during the year
1.	Sri Datta Sai Shilpa Industries	14/03/2020	24,00,000	31/05/2021	24,00,000	Nil
2.	Balaji Traders	20/03/2020	10,00,000	31/05/2021	10,00,000	Nil
3.	Suresh Textiles	19/06/2019	3,73,000	19/09/2021	3,50,876	Nil
4.	Seven Hills Softgel PVT LTD	12/05/2020	15,00,000	30/11/2021	1,47,123	Nil
5.	Surya paper industries	18/10/2018	1,24,961	31/03/2020	1,15,094	Nil
6.	16 Sircilla Accounts	Oct 2018	1,48,72,928	31/03/2020	1,48,72,928	Nil
	Total		**2,02,70,889**		**1,88,86,021**	**Nil**

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, except above mentioned parties there is a transaction with M/S Fourth Estate Communications Pvt Ltd with an amount of interest of Rs.35,761/- overdue for more than ninety days in respect of loans and advances in the nature of loans given. The Company is taking adequate steps for the recovery of the principal and interest of the said overdue amounts

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans or advances in the nature of loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(v). The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.

(vi). We have been informed that the Central Government has not prescribed for the maintenance of Cost records under Section 148(1)(d) of the Companies Act, 2013.

(vii). (a) In our opinion and according to the information and explanations made available to us the provisions of Central Excise Act, Employees State Insurance Act are not applicable to the Company However, the Company is regular in depositing the other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, there are no dues of Provident Fund, Goods & Service Tax, or any other Statutory Dues not been deposited on account of any dispute.

(viii).There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix). (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to the State Government.(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The company has not accepted any term loans hence reporting under clause 3(ix)(c) of the Order is not applicable to the company applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, the company has not raised any funds on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

(e) As the Company do not have any Subsidiaries, Associates or Joint Ventures hence, reporting under clause 3 (ix)(e) & (f) of the Order is not applicable

(x). (a) The Company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable,

(xi). (a) No fraud by the Company and no material fraud on the Company has been noticed or repotted during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) we have been informed that the company has not received any whistle blower complaints during the year and hence clause 3(xi)(c) of the Order is not applicable.

(xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii). In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements in Note. No. 2.22 as required by the applicable accounting standards.

(xiv). (a) In According to the information and explanations given to us, the Company does not satisfy the following:

A. paid-up share capital of fifty crore rupees or more; and
B. Revenue from Operations/ Turnover of which as per profit and loss account for the immediately preceding financial year of two hundred crore rupees or more.
C. Outstanding loans or borrowings from banks or PFI exceeding rupees one hundred crore or more at any point of time.

Hence as Internal Audit system is not applicable Accordingly Clause xiv(a) and (b) are not applicable.

(b) Reports of the Internal Auditors are not applicable to the company.

(xv). In our opinion during the year the Company has not entered into any non-cash transactions with its Director's or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi). (a) In our opinion, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, Clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Company does not have any CICs.

(xvii). The Company has not incurred cash losses during the financial year covered by us for audit and in the immediately preceding financial year.

(xviii). There has been no resignation of the statutory auditors of the Company during the year.

(xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx). In our opinion and according to the information and explanation given to us the provisions of Section 135 of the Companies Act, 2013 are not applicable to the company. Hence, reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

For RAMESH ATHASNIYA & CO.,
Chartered Accountants,

Sd/-

CA. RAMESH ATHASNIYA

Partner,

M.No. 204976

Firm Reg No.007480S

Date : 07th July, 2023.

Place : Hyderabad.

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Annexure - B to the Independent Auditors' Report of even date on the Standalone Financial Statements of **M/s 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 M/s TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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 ('ICAI'). 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 ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

For RAMESH ATHASNIYA & CO.,
Chartered Accountants,

Sd/-
CA. RAMESH ATHASNIYA
Partner,
M.No. 204976
Firm Reg No.007480S

PLACE : Hyderabad,
DATE : 07th July, 2023.

TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED
CIN: U74999TG2017SGC117624
Regstd Office: #5-9-58/B, Parishrama Bhavanam, Fateh Maidan Road, Basheerbagh, Hyderabad - 500004

BALANCE SHEET AS AT 31-03-2023

(Amount in '000)

PARTICULARS	Note Number	As on 31-03-2023		As on 31-03-2022	
(I) EQUITY AND LIABILITIES:					
(1) Share Holders' Funds:					
(a) Share Capital	2.01	**100260.00**		100260.00	
(b) Reserves & Surplus	2.02	**59231.13**		57045.71	
(c) Money Received against share warrants		**-Nil-**		-Nil-	
			159491.13		157305.71
(2) Share Application Money Pending Allotment			**-Nil-**		-Nil-
(3) Non Current Liabilities					
(a) Long Term Borrowings	2.03	**15443.93**		8908.00	
(b) Deferred Tax Liabilities (net)	2.04	**-Nil-**		31.79	
(c) Other Long Term Liabilities		**-Nil-**		-Nil-	
(d) Long Term Provisions	2.05	**8713.97**		6886.89	
			24157.89		15826.68
(4) Current Liabilities					
(a) Short Term Borrowings		**-Nil-**		-Nil-	
(b) Trade Payables		**-Nil-**		-Nil-	
(c) Other Current Liabilities	2.06	**4145.56**		3234.05	
(d) Short Term Provisions		**-Nil-**		-Nil-	
			4145.56		3234.05
			187794.58		**176366.44**
(II) ASSETS:					
(1) Non Current Assets					
(a) Property, Plant & Equipment and Intangible Assets	2.07				
(i) Property Plant and Equipment		**681.85**		817.80	
(ii) Intangible Assets		**1894.79**		3408.24	
(iii) Capital Work In Progress		**-Nil-**		-Nil-	
(iv) Intangible Assets Under Development		**-Nil-**		-Nil-	
			2576.64		4226.05
(b) Non Current Investments		**-Nil-**		-Nil-	
(c) Deferred Tax Asset (net)	2.04	**152.21**		-Nil-	
(d) Long Term Loans & Advances	2.08	**44772.19**		35446.75	

	(e) Other Non Current Assets		**-Nil-**		-Nil-	
				44924.40		35446.75
(2)	**Current Assets**					
	(a) Current Investments	2.09	**-Nil-**		110126.22	
	(b) Inventories		**-Nil-**		-Nil-	
	(c) Trade Receivables	2.10	**-Nil-**		535.07	
	(d) Cash & Cash Equivalents	2.11	**139286.40**		25904.84	
	(e) Short Term Loans & Advances		**-Nil-**		-Nil-	
	(f) Other Current Assets	2.12	**1007.14**		127.51	
				140293.54		136693.64
	Total:			**187794.58**		**176366.44**
Significant Accounting Policies and Notes to Accounts		1&2				

As per our report of even Date attached

For RAMESH ATHASNIYA & CO.,
Chartered Accountants,

For & on behalf of the Board

SD/-
CA RAMESH ATHASNIYA,
Partner
M.No. 204976
UDIN: 23204976BGUICI6896

Place: Hyderabad,
Date: 7th July, 2023

Sd/-
Managing Director
(DIN: 09630397)

Sd/-
Director
(DIN:00003692)

TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED
CIN: U74999TG2017SGC117624
Regstd Office: #5-9-58/B, Parishrama Bhavanam, Fateh Maidan Road, Basheerbagh, Hyderabad - 500004

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31-03-2023

(Amount in '000)

	PARTICULARS	Note Number	As on 31-03-2023		As on 31-03-2022	
I.	Revenue from Operations	2.13		**15596.85**		9496.26
II.	Other Income	2.14		**6621.73**		6483.48
III.	**Total Income (I + II)**			**22218.59**		**15979.74**
IV.	**Expenses:**					
	Employee benefits expense	2.15		**9755.33**		8323.51
	Finance costs	2.16		**5.12**		4.24
	Depreciation and Amortisation Expenses	2.17		**1668.75**		1664.25
	Other Expenses	2.18		**8862.96**		6789.97
	Total Expenses			**20292.16**		**16781.96**
V.	**Profit before exceptional and extraordinary items and tax (III - IV)**			**1926.42**		(802.23)
VI.	**Exceptional Items/Extraordinary Items**			**-Nil-**		-Nil-
VII.	**Prior Period Items**			**75.00**		38.68
VII.	**Profit Before Tax (V-VI)**			**2001.42**		(763.55)
VIII.	**Tax Expense:**					
	(1) Current Tax		**-Nil-**		-Nil-	
	(2) Deferred Tax		**(184.00)**		(110.78)	
	(3) Excess Provision Written Off		**-Nil-**		-Nil-	
				(184.00)		(110.78)
IX.	**Profit for the period(VIII-IX)**			**2185.42**		(652.77)
X.	**Earning Per Share**					
	Basic			**2.18**		(0.65)
	Diluted			**2.18**		(0.65)

XI.	**Number of Shares used for EPS working** Basic Diluted			 **1002600.00** **1002600.00**		 1002600.00 1002600.00
XII.	Significant Accounting Policies and Notes to Accounts	1 & 2				

As per our report of even Date

For RAMESH ATHASNIYA & CO.,
Chartered Accountants,

For & on behalf of the Board,

Sd/-
CA RAMESH ATHASNIYA,
Partner
M.No. 204976
UDIN: 23204976BGUICI6896

Place: Hyderabad
Date: 7th July,2023

Sd/-
Managing Director
(DIN: 09630397)

Sd/-
Director
(DIN:00003692)

TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED
CIN: U74999TG2017SGC117624

Regstd Office: #5-9-58/B, Parishrama Bhavanam, Fateh Maidan Road, Basheerbagh, Hyderabad - 500004

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2023

(Amount in '000)

Particulars	As at 31.03.2023	As at 31.03.2022
A. Cash Flow from Operating Activities:		
Net Profit before Tax and Extraordinary Items	2001.42	(763.55)
Adjustments for:		
Depreciation	1668.75	1664.25
Profit from Sale of Mutual Funds	(5304.00)	(5124.80)
Provision for NPA & Gratuity	1827.07	881.47
Interest Received / Non Operating Income	(1317.73)	(1001.09)
Operating profit before Working Capital Changes	**(1124.48)**	**(4343.72)**
Adjustments for:		
Trade and Other receivables	535.07	(535.07)
Long Term Provision	1827.07	6830.64
Other Current & Non Current Assets	(879.63)	-Nil-
Trade Payables and other Current Liabilities	911.51	1781.54
Cash generated from Operations	**2394.02**	**8077.11**
Cash flow before Extraordinary Items & Tax	2394.02	8077.11
Extraordinary Items & Tax	-Nil-	-Nil-
Net Cash used for Operating activities	**1269.53**	**3733.39**
B. Cash Flow from Investing Activities:		
Net Purchase of Fixed Assets	(19.35)	(5.29)
Sale of Fixed Assets	-Nil-	-Nil-
Increase/(Decrease) in Capital Work in Progress	-Nil-	-Nil-
Long Term Loans & Advances	(9325.44)	(8151.39)
Short Term Loans & Advances	-Nil-	1021.65
Increase/ Decrease Investments	110126.22	2451.52
Profit from Sale of Mutual Fund	5304.00	5124.80
Interest & Other Income	1317.73	1001.09
Net Cash flow from Investing activities	**107403.17**	**1442.39**
C. Cash Flow from Financing Activities:		
Issue of Share Capital	-Nil-	-Nil-

Increase in Share Premium	-Nil-	-Nil-
Increase in Share Application Money	-Nil-	-Nil-
Decrease in Share Application Money	-Nil-	-Nil-
Long Term Loans & Advances	6535.93	(7268.53)
Short Term Loans & Advances		
Provision for NPA	(1827.07)	(881.47)
Net Cash flow from Financing activities	**4708.85**	**(8149.99)**
Net Increase in Cash and Cash Equivalents	**113381.55**	**(2974.22)**
Cash and Cash Equivalents as at (Opening Balance)	25904.84	28879.06
Cash and Cash Equivalents as at (Closing Balance)	**139286.40**	**25904.84**

We have verified the above Cash Flow Statement of Telangana Industrial Health Clinic, for the year ended on 31st March, 2023, which has been derived from the audited annual accounts after making such adjustments / groupings as were considered appropriate and found the same to be true and correct.

As per our report of even date,

For RAMESH ATHASNIYA & CO.,
Chartered Accountants,

For & on behalf of the Board,

SD/-
CA RAMESH ATHASNIYA,
Partner
M.No. 204976
Firm Regn.No.007480S
UDIN: 23204976BGUICI6896

Place: Hyderabad
Date: 7th July,2023

Sd/-
Managing Director
(DIN: 09630397)

Sd/-
Director
(DIN:00003692)

TELANGANA INDUSTRIAL HEALTH CLINIC LTD

CIN : U74999TG2017SGC117624

#5-9-58/B, Parishrama Bhavanam, Fateh Maidan Road, Basheerbagh, Hyderabad - 500004.

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS (1&2)

1. (A) COMPANY OVERVIEW:

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 recognized as a Non-Banking Financial Company (NBFC) with Reserve Bank of India (RBI). The company can carry on the business of Non-Banking Financial institution without accepting Public Deposits. The company is primarily engaged in the business of Non-Banking Finance Company and to help Micro and Small enterprises in manufacturing sector by providing consultancy and financial services in the State of Telangana. For that purpose, the company lends /advances money to entrepreneurs, promoters, industrial and other business concerns on such terms and conditions and with or without security as may be considered appropriate and also to act as a Financial Company.

(B) SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of Preparation of Financial Statements:

(i) Financial Statements have been prepared under the historical cost convention method, in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as applicable to this Company.

(ii) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles followed by the Company.

1.2 Basis of Accounting:

The Company recognizes Income and Expenses on accrual basis except in case of significant uncertainties.

1.3 Use of Estimates:

The preparation of financial statements required the management to make estimates and assumptions considered in the reported amounts of assets and liabilities as on the date of financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

1.4 Property Plant and Equipment & Intangible Assets*:*

(i) Property, Plant and Equipment

Property, Plant and Equipment are held with intention of being used for the purpose of producing or providing goods & services and is not held for sale in the ordinary course of business. Property, Plant and Equipment are shown at historical cost. Cost of acquisition is inclusive all incidental expenses attributable to bringing the asset to its working condition.

Contd...2...

Tangible Assets: Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Direct costs are capitalized until such assets are ready for use.

Intangible Assets: Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

(ii) Depreciation And Amortization

Depreciation on Tangible assets is provided on the Straight-Line method over the lives of the assets as referred in schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

1.5 Revenue Recognition:

Revenue from Service Transactions is recognized at the time of rendering the service, the same are exclusive of taxes collected on behalf of the Government. Interest on loans is recognized on accrual basis except in case of income on Non-Performing Advances as per the guidelines issued by Reserve Bank of India.

1.6 Cash Flow:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing and financing activities of the company are segregated.

1.7 Earnings Per Share:

The earnings considered in ascertaining the company’s Basic EPS is the attributable net profit or loss to the equity shareholders as per AS-20 “Earnings per share” issued by the ICAI. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period.

1.8 Retirement and other Employee benefits:

Employee benefits include Provident Fund & Gratuity. Contribution in respect of Employee Provident Fund which is as 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 & Loss.

1.9 Segment Reporting

The company is primarily engaged in the business of Rendering Financial Services to SMEs. 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 recognized 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 recognized in the profit and loss account in the year of change. Deferred tax assets are recognized 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 realized.

1.11 Contingent Labilities & Provisions:

The company recognizes provision when there is a present obligation arising from past events, the settlement of which is expected to result in an outflow from the resources embodying economic benefits which can be measured only by using a substantial degree of estimation.

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 company or a present obligation that is not recognized 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 recognized because it cannot be measured reliably.

The company does not recognize a contingent liability but discloses its existence in the financial statements.

1.12 Government Grants:

Government grants are recognised when there is reasonable assurance that (i) the enterprise will comply with the conditions attached to them, and (ii) the grants will be received, Government grants related to specific fixed assets are presented in the balance sheet by showing the grant as a deduction from the gross value of the assets concerned in arriving at their book value. Government grants related to revenue are recognised on a systematic basis in the profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are either shown separately under 'other income' or deducted in reporting the related expense.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

Government grants in the form of non-monetary assets, given at a concessional rate, are accounted for on the basis of their acquisition cost. In case a non-monetary asset is given free of cost, it is recorded at a nominal value.

Government grants that are receivable as compensation for expenses or losses incurred in a previous accounting period or for the purpose of giving immediate financial support to the enterprise with no further related costs, are recognised and disclosed in the profit and loss statement of the period in which they are receivable, as an extraordinary item if appropriate.

Government grants that become refundable are accounted for as an extraordinary item.
Government grants in the nature of promoters' contribution that become refundable are reduced from the capital reserve.

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2. NOTES TO ACCOUNTS: **(Amount in '000)**

2.01 Share Capital:

Particulars		As on 31-03-2023	As on 31-03-2022
(A)	**Authorised Capital:** *11,00,000 Equity shares of Rs.100/- each With Voting Rights*	**110000.00**	110000.00
(B)	**Issued, Subscribed & Paid up Capital:** *10,02,600 Equity Shares of Rs. 100/- each With Voting Rights*	**100260.00**	100260.00

Equity share

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 prefertials amounts, in proportion of their shareholding.

(C) Reconciliation of Number of Shares Outstanding at the beginning and end of Reporting Period:

Particulars	As on 31-03-2023		As on 31-03-2022	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	**1002600.00**	**100260.00**	1002600.00	100260.00
Add: Shares Issued during the year	**-Nil-**	**-Nil-**	-Nil-	-Nil-
	1002600.00	**100260.00**	1002600.00	100260.00
Less: Shares bought back during the year	-Nil-	-Nil-	-Nil-	-Nil-
Shares outstanding at the end of the year	**1002600.00**	**100260.00**	**1002600.00**	**100260.00**

(Amount in '000)

(D) Names of Persons who are holding more than 5% Shares in the Paid up Capital:

Name of the Shareholder	31-03-2023		31-03-2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
H. E. Hon'ble Governor - Telangana State (together with nominee)	**1000000.00**	**99.74%**	1000000.00	99.74%
	1000000.00	**99.74%**	**1000000.00**	**99.74%**

(E) Other information required to be disclosed under 6(A)(h), (i), (j), (k), (l) is Nil.

(F) Shareholding of Promoters is as below:

Shares held by promoters at the end of the year	% Change during the year	As on 31 March 2023		As on 31 March 2022	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
H. E. Hon'ble Governor - Telangana State (together with nominee)	**-Nil-**	**1000000.00**	**99.74%**	**1000000.00**	**99.74%**
	-Nil-	**1000000.00**	**99.74%**	**1000000.00**	**99.74%**

2.02 RESERVES AND SURPLUS:

Particulars	As on 31-03-2023	As on 31-03-2022
(A) CAPITAL RESERVE	**100000.00**	100000.00
(B) Surplus/(Deficit) in statement of profit loss		
Opening Balance	**(42954.29)**	(42301.52)
Add: Profit / Loss for the Current Year	**2185**	(652.77)
Less: Transfer to Statutory Reserve (Refer Note No. 2.27)	**(437.08)**	-Nil-
	(41205.95)	(42954.29)
(C) Statutory Reserve		
Opening Balance	-Nil-	-Nil-
Add: Provision for Current Year	**437.08**	-Nil-
	437.08	-Nil-
Total (A) + (B) + (C)	**59231.13**	**57045.71**

(Amount in '000)

2.03 LONG TERM BORROWINGS:

Particulars	As on 31-03-2023	As on 31-03-2022
Unsecured Loans from Government	**15443.93**	8908.00
	15443.93	**8908.00**

The company has used the borrowings from State Government for the specific purpose for which it was borrowed.

2.04 DEFERRED TAX ASSET/ LIABILITY:

Particulars	As on 31-03-2023	As on 31-03-2022
Opening Deferred Tax Asset	**31.79**	142.57
Add/(Less): Due to Timing Differences in Depreciation Rates	**(184.00)**	(110.78)
Net Deferred Tax Asset	**(152.21)**	**31.79**

2.05 LONG TERM PROVISIONS:

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	Provision for Contingency for standard asset	**64.71**	36.97
(b)	Provision for NPA	**8311.75**	6849.92
(c)	Provision for Gratuity	**337.50**	-Nil-
TOTAL		**8713.97**	**6886.89**

2.06 OTHER CURRENT LIABILTIES:

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	Statutory Liabilities	**597.38**	209.53
(b)	Outstanding Expenses	**943.74**	659.46
(c)	Excess Amount Recovered, Payable to Client	**2604.43**	2365.06
		4145.56	**3234.05**

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NOTE NO. 2.07 - FIXED ASSETS & DEPRECIATION AS PER COMPANIES ACT 2013

(Amount in '000)

"Sl. No.	Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK	
		Balance as at 01-04-2022	Additions/ (Disposals)	Balance as at 31-03-2023	Balance as at 01-04-2022	For the Year	Adj. 31-03-2023	Transferred to Reserve	Balance as at 31-03-2023	Balance as at 31-03-2023	Balance as at 31-03-2022
1	Computer	559.04	-Nil-	559.04	531.08	4.18	-Nil-	-Nil-	535.26	23.77	27.95
2	Furniture & Fixtures	446.07	-Nil-	446.07	184.48	42.38	-Nil-	-Nil-	226.86	219.21	261.59
3	Printers	217.92	-Nil-	217.92	61.22	15.93	-Nil-	-Nil-	77.15	140.77	156.70
4	Office Equipment	212.36	19.35	231.71	149.02	45.55	-Nil-	-Nil-	194.57	37.14	63.34
5	Air Conditioners	487.01	-Nil-	487.01	192.55	46.27	-Nil-	-Nil-	238.82	248.19	294.46
6	UPS - Hitatchi	182.97	-Nil-	182.97	173.82	-	-Nil-	-Nil-	173.82	9.15	9.15
7	Paper Shredder	5.29	-Nil-	5.29	0.67	1.00	-Nil-	-Nil-	1.67	3.61	4.62
		2110.66	**19.35**	**2130.01**	**1292.85**	**155.30**	**-**	**-**	**1448.16**	**681.85**	**817.80**
	Intangible Assets										
1	Tally software	18.22	-Nil-	18.22	17.31	-Nil-	-Nil-	-Nil-	17.31	0.91	0.91
2	I- Health Software	7567.25	-Nil-	7567.25	4159.92	1513.45	-Nil-	-Nil-	5673.37	1893.88	3407.33
		7585.47	**-**	**7585.47**	**4177.23**	**1513.45**	**-**	**-**	**5690.68**	**1894.79**	**3408.24**
	TOTAL	**9696.13**	**19.35**	**9715.48**	**5470.08**	**1668.75**	**-Nil-**	**-Nil-**	**7138.84**	**2576.64**	**4226.05**
	PY	**9690.84**	**5.29**	**9696.13**	**3805.83**	**1664.25**	**-Nil-**	**-Nil-**	**5470.08**	**4226.00**	**5885.01**

(Amount in '000)

2.08 LONG TERM LOANS & ADVANCES: ***(Secured and considered Good)***

Particulars	As on 31-03-2023	As on 31-03-2022
Other Loans and Advances	**44772.19**	35446.75
	44772.19	**35446.75**

Note:
1. The company has given loans to Sircilla weavers and other units under advice from state Government. These loans are repayable in 60 equal installments in case of sircilla Weavers with moratorium of 6 months. In the case of other industries, the repayment is in equal installments and bullet repayment on case to case basis.

2. These loans are secured by hypothecation of plant & machinery in the case of sircilla weavers and in other cases secured by the various Assets of of those companies include Non performing assets of Rs 1,88,86,021/-

2.09 CURRENT INVESTMENTS:

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	ICICI All season bonds	**-Nil-**	13500.00
(b)	Investments in Franklin Templeton Mutual Fund	**-Nil-**	126.22
(c)	Investments in HDFC money Market Fund	**-Nil-**	10000.00
(d)	Investments in ICICI Prudential Short Term Fund	**-Nil-**	13000.00
(e)	Investments in Nippon India Corporate Bond Fund	**-Nil-**	13000.00
(f)	Investments in Nippon Bond Short term fund	**-Nil-**	13500.00
(g)	Investments in Nippon India Money Market Fund	**-Nil-**	10000.00
(h)	Investments in SBI Savings Fund	**-Nil-**	20000.00
(i)	Investments in SBI Short term debt fund	**-Nil-**	17000.00
		-Nil-	**110126.22**

2.10: TRADE RECEIVABLES:

Particulars	As on 31-03-2023	As on 31-03-2022
Processing fees Receivables	**-Nil-**	535.07
	-Nil-	**535.07**

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(Amount in '000)

2. NOTES TO ACCOUNTS

2.11 CASH & CASH EQUIVALENTS:

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	**Balances with banks**		
	- In Current Account with banks	**387.17**	17385.36
	- In Deposit Account with banks		
	- held for a period of less than 12m	**88996.76**	8500.00
	- held for a period of more than 12m	**49900.00**	-Nil-
(b)	**Cash on Hand**	**2.47**	19.48
		139286.40	**25904.84**

2.12 OTHER CURRENT ASSETS:

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	Accrued Interest on FDR	668.97	-Nil-
(b)	TDS Receivable	245.42	37.64
(c)	Prepaid Expenses	92.76	89.88
		1007.14	**127.51**

2.13 REVENUE FROM OPERATIONS:

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	Interest From Loans	**2877.46**	692.09
(b)	Processing Fee	12464.10	8561.26
(c)	HandHolding Charges	**-Nil-**	13.75
(d)	Loan Documentation Charges	**185.29**	229.16
(e)	Diagnostic Fees	**70.00**	-Nil-
		15596.85	**9496.26**

(Amount in '000)

2.14 OTHER INCOME

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	Interest On IT Refund	**-Nil-**	2.32
(b)	Interest On Bank Deposits	**1315.73**	998.77
(c)	Reimbursement of Training - NIMSME	**-Nil-**	**300.37**
(d)	Others	**2.00**	57.22
(e)	Profit From Sale of Mutual Funds	**5304.00**	5124.80
		6621.73	**6483.48**

No Foreign Exchange Earnings have been made by the company during the year.

2.15 EMPLOYEE BENEFITS EXPENSE:

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	Salaries & Allowances (including Contract Employees)	**6860.81**	6239.68
(b)	Remuneration To Managing Director & Advisor	**2557.02**	2083.84
(c)	Gratuity Expenses	**337.50**	-Nil-
		9755.33	**8323.51**

2.16 FINANCE COST

Particulars	As on 31-03-2023	As on 31-03-2022
Bank & Finance Charges	**5.12**	4.24
	5.12	**4.24**

2.17 DEPRECIATION AND AMORTIZATION EXPENSES:

Particulars	As on 31-03-2023	As on 31-03-2022
Depreciation	**1668.75**	1664.25
	1668.75	**1664.25**

(Amount in '000)

2.18 OTHER EXPENSES:

Particulars		As on 31-03-2023	As on 31-03-2022
(a)	Books & Periodicals	**13.00**	11.74
(b)	Postage & Telegrams	**3.40**	5.54
(c)	Advertisement Expenses	**115.55**	58.03
(d)	Communication Expenses	**-Nil-**	79.15
(e)	Certification Expenses	**25.00**	10.00
(f)	Printing & Stationary	**26.43**	68.50
(g)	Professional & Consultancy Charges	**1160.83**	1556.54
(h)	Auditors Fees	**75.00**	75.00
(i)	Travelling & Conveyance Expenses	**1463.22**	760.98
(j)	Registration & Filing Fees	**5.90**	6.60
(k)	Director Sitting Fee	**451.26**	204.00
(l)	Subscription Expenses	**26.80**	16.53
(m)	Electricity Charges	**236.22**	129.71
(n)	Office Maintenance	**593.77**	435.08
(o)	Rent, Rates & Taxes	**1920.21**	1751.61
(p)	Repair & Maintenance	**236.08**	216.97
(q)	Cloud Storage Cost	**153.68**	221.95
(r)	Web Maintenance Charges	**58.61**	54.36
(s)	Provision for Standard Asset	**27.74**	9.49
(t)	Provision for Non-Performing Assets	**1461.83**	871.98
(u)	General Expenses	**432.24**	246.21
(v)	Meeting Expenses	**28.41**	-Nil-
(w)	Interest on Late Filing	**8.13**	-Nil-
(x)	Survey Expenses	**307.65**	-Nil-
(y)	Stipend	**32.00**	-Nil-
		8862.96	**6789.97**

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2. Notes to Accounts:

2.19. Contingent Liabilities are not provided for in Books of Accounts – -Nil-

2.20. **Auditors' Remuneration:**

(Amount in '000)

Sl. No.	Particulars	As on 31-03-2023	As on 31-03-2022
1.	Statutory Audit Fees	**75.00**	75.00
	Reimbursement of Goods and Service Tax	**13.50**	13.50
2.	Tax Audit Fees	**15.00**	-Nil-
	Reimbursement of Goods and Service Tax	**2.70**	-Nil-
3.	Certification Fees	**10.00**	15.00
	Reimbursement of Goods and Service Tax	**1.80**	2.70
	Total:	**118.00**	**106.20**

2.21. As per Accounting Standard -18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, the company's related parties with whom the company has entered into transactions during the year in the ordinary course of business, as certified by the Management are disclosed below:

(I) Key Managerial Persons:

SI. No.	Name of the Person	Relationship
1.	Sri Jayesh Ranjan , IAS	Chairman
2.	Sri. Krishna Bhaskar Devarakonda, IAS	Nominee Director
3.	Sri Venkat Narsimha Reddy Ettireddy, IAS	Nominee Director
4.	Dr. Behara Yerram Raju	Non-Independent Non-Executive Director
5.	Dr. Krishna Mohan Nori	Independent Director
6.	Sri. Sriramshetty Srinivasa Rao	Independent Director
7.	Dr. Kinnera Murthy Bhagavatula	Independent Director
8.	Dr. Allamraju Subramanya Ramasastri	Independent Director
9.	Sri. Srinivas Garimella	Independent Director
10.	Sri. DV Suresh Kumar (upto May 2022)	Managing Director & C E O
11.	Sri. Venkateswarlu Sistla	Managing Director & C E O

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(II) Nature of Transactions with Related Parties during the year:

Sl. No.	Name of the Person	Amount ('000) FY 2022-23	Amount ('000) FY 2021-22
	Rent:		
1.	Telangana State Industrial Development Corporation Limited	1879.26	1643.18
	Sitting Fees:		
1.	Independent directors	398.94	204.00
	Remuneration:		
1.	Sri. Venkateswarlu Sistla	2101.10	-Nil-
2.	D.V. Suresh Kumar	300.00	1800.00

2.22. Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2.23. Employee Benefits include Provident Fund and Gratuity Fund. Contributions in respect of Employees Provident Fund which is as 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. Gratuity Fund is created based on Years of Employment, the amount of Rs.3,37,500/- is charged to the profit and loss account on accrual basis but no payment is made in respect of the same.

2.24. Prior Period Item amounting to Rs.75,000/- charged to the Profit & Loss Account is on the account of excess provision created in the previous Financial Year i.e. 2021-2022 which is now reversed.

2.25. 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.

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2.26 Analytical Ratios:

Sl. No.	Particulars	Numerator	Denominator	FY 2023	FY 2022	Difference (%)
(a)	Current Ratio	Current Assets	Current Liabilities	33.84	42.27	-19.93
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.10	0.06	71
(c)	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	N/A	N/A	N/A
(d)	Return on Equity Ratio	Net profits after taxes	Average shareholder's equity	0.01	0.00	-430.18
(e)	Inventory Turnover Ratio	Turnover	Average Inventory	N/A	N/A	N/A
(f)	Trade Receivables Turnover Ratio	Turnover	Average Trade Receivables	N/A	N/A	N/A
(g)	Trade Payables Turnover Ratio	Turnover	Average Trade Payables	N/A	N/A	N/A
(h)	Net Capital Turnover Ratio	Revenue	Working Capital	0.11	0.07	61
(i)	Net Profit Ratio	Net Profit	Revenue	0.14	-0.07	-303.83
(j)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.01	0.00	-358.53
(k)	Return on Investment	Income generated from investments	Time weighted average investments	NA	NA	NA

Reasons for the Changes More than 25%

(A) Debt Equity Ratio: The debt equity ratio has increased as there is a significant increase in the amount received from Government in the form of loan and also there is significant increase in the revenue in the current financial year.

(B) Return on Equity Ratio: The Return on Equity ratio has changed as the revenue of the company has increased significantly when compared to previous financial year.

(C) Net Capital Turnover Ratio: The net Capital Turnover ratio has increased as there is an increase in the revenue from operations.

(D) Net Profit Ratio: The Net profit ratio is increased due to significant increase in revenue and profits of the company when compared with previous financial year.

(E) Return on Capital Employed: The significant increase in the ratio is on account of exceptional rise in the revenue of the company during the financial year 2022-23 when compared with previous financial year 2021-22.

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2.27. During the year the company has transferred an amount of Rs.4,37,056/- to Statutory Reserve as per Regulation 45(IC) of RBI Act 1934 by creating a provision of 20% of the current year profits.

2.28. Loans given to Siricilla Weavers became Non-Performing Assets (NPA) during the FY 2019-20 of which Rs.1,48,73,000 are outstanding as on 31-03-2023. As per MEMO No.4017/Tex.2/2015-5 referred to in the GO RT 109 dated 20-06-2019 the loan given by the Government of Telangana State is repayable as and when the loans given to the Siricilla Weavers are recovered by the company. The said loans forming part of NPA of the company, if not recovered, are adjustable against loan given to the company by the Government of Telangana State. In view of this position the company has made provision for NPA by reducing the loan amount given by the government.

2.29. Previous year figures have been regrouped, rearranged, reclassified and restated wherever necessary to compare with the current year figures.

As per our report of even date

For RAMESH ATHASNIYA & CO.,
Chartered Accountants,

Sd/-
CA. RAMESH ATHASNIYA
Partner.
M.No. 204976
Firm Reg No.007480S

PLACE : Hyderabad,
DATE : 07th July, 2023
UDIN: 23204976BGUICI6896

By Order of the Board,

Sd/-
Managing Director
(DIN: 09630397)

Sd/-
Director
(DIN: 00003692)

MICRO AND SMALL MANUFACTURING ENTREPRENEURS

TIHCL (Telangana Industrial Health Clinic Ltd) has been established as a company and NBFC with the sole purpose of helping Micro and Small entrepreneurs whenever they face any stress situations. We are just not in the business of financing but are interested in the revival and rehabilitation of stressed enterprises. To discuss your concerns, please call or email

సూక్ష్మ మరియుచిన్న పరిశ్రమయజమానులకు,

TIHCL (తెలంగాణ ఇండస్ట్రియల్ హెల్త్ క్లినిక్ లిమిటెడ్) సూక్ష్మ మరియు చిన్న వ్యాపారవేత్తలు ఏదైనా ఒత్తిడి పరిస్థితులను ఎదుర్కొన్నప్పుడు వారికి సహాయం చేయాలనే ఏకైక ఉద్దేశ్యంతో ఒక కంపెనీ మరియు NBFC వలె స్థాపించబడింది. మేము కేవలం ఫైనాన్సింగ్ వ్యాపారంలో లేము కానీ ఒత్తిడికి గురైన సంస్థల పునరుద్ధరణ మరియు పునరావాసంపై ఆసక్తి కలిగి ఉన్నాము. మీ ఆందోళనలను చర్చించడానికి, దయచేసి కాల్ చేయండి లేదా ఇమెయిల్ చేయండి

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