



2023-24

Annual Report



Telangana Industrial Health Clinic Ltd, an innovative institution was promoted by Government of Telangana in the year of 2017 to provide holistic help to the stressed Micro and Small enterprises (MSEs) in Manufacturing space 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 eco system 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 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 contribute for the purpose. TIHCL believes that timely handling of financial stress and preventing Industrial sickness is an integral part of the development process. Majority of micro and small manufacturing enterprises face issues, because they are unorganized and are constrained by stricter regulatory, financial and recovery norms along with lack of awareness.

This institution engages and coordinates with the lending institutions and the stressed entrepreneurs to help find solutions acceptable to both of them. TIHCL strives to provide solution 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 stake holders.

TIHCL extends following services

Non-financial Services:

- Consultation services such as Diagnostic studies, Financial viability reports, 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
- On boarding services to electronic Platforms like GeM / TReDS

Financial Services:

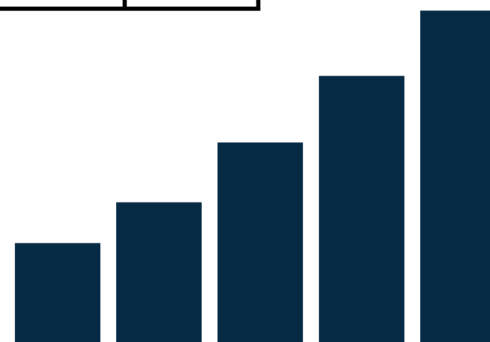
- Loans by way of Margin Money, Critical Account Funding for stressed entrepreneurs
- Bridge Loans against sanctioned Investment subsidy





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Sri Duddilla Sridhar Babu

Minister for Information Technology, Electronics & Communications, Industries and Commerce & Legislative Affairs

Government of Telangana



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MESSAGE

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.

For the rapid industrial growth, the State has enacted various Industrial Policies to provide and act as catalyst for the promotion of congenial industrial environment and to encourage and improve the competitiveness and capabilities of various firms.

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.

With all the initiatives taken by the State, the Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Telangana economy, contributing 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.

In the progressive Telangana state, keeping in view the need for rapid industrial growth, 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. 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.15.02 lakh crores with y-o-y growth @ 14.50% at current prices.

Despite all the positive initiatives taken by the State, due to certain inherent issues, some of the Units are coming under stress / sickness. However, Banks / FIs may face constraints in proactively dealing with such a large level of stressed Units. In the process of circumventing such problems, as an important milestone in Telangana's SME Ecosystem, Telangana Industrial Health Clinic Limited (TIHCL) was established 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.

I am happy to note that TIHCL is extending all required support / services to the needy SMEs to enable them to avoid / come out of Stress / Sickness and facilitating them to operate on normal lines.

I wish them all the best in their future endeavors.

Sd/-

DUDDILLA SRIDHAR BABU



Shri Jayesh Ranjan I.A.S

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



MESSAGE FROM CHAIRMAN

It is a fact that Micro and Small Enterprises play a pivotal role in providing employment opportunities comparatively at lower capital cost and contribute considerably to the economy by way of creation of wealth and exports of the country. The segment employs skilled and semi-skilled apart from facilitating rural and urban industrialization which helps in inclusive growth and balanced development of the State. In the year 2023-24, the industrial sector's contribution to the Gross State Value Added (GSVA) at current prices is estimated at 15.60% and around 21% of the working population in the state are employed by the industries sector.

The Government is committed to generate employment by focusing on increasing the number of MSMEs and improving the scale of the existing enterprises in the State. The Business-friendly policies and proactive measures taken by the State government to facilitate business have become a Role Model for Inclusive and Sustainable Economy and created a conducive environment that has spurred industrial growth in the state.

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.

The Telangana State has come up with required policy initiatives and other administrative measures to assist the needy Units to come out of the post-COVID difficulties and enable them a smooth passage to their normal and hassle-free manufacturing activities. Further, the State has taken all required measures to help other Units also to ensure uninterrupted activity and to ensure employment generation. All these measures have resulted in steady growth in employment generation and creation of wealth.

However, due to the inherent reasons, many enterprises are getting into stress / sickness. It is overly critical for the Banks / FIs to proactively deal with such a large level of stressed Units. Hence, to prevent incipient sickness and to create service offerings for Revival, Restructuring and Rehabilitation, the Telangana Industrial Health Clinic Limited was established to provide required assistance, at micro level, in a composed way with continuous and meaningful engagement with all the other stake holders.

I am happy to note that TIHCL has strived to better the performance and strengthened their operations in this Financial Year and 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.

Sd/-

Shri Jayesh Ranjan I.A.S

OUR DIRECTORS



Shri Jayesh Ranjan, I.A.S.

He is the Special Chief 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.



Dr. E. Vishnu Vardhan Reddy, IFS

Dr E Vishnu Vardhan Reddy joined the Indian Foreign Service in 2008. He has served at the Indian Missions in Madrid and Geneva and has experience in covering both bilateral and multilateral relations. At the headquarters, he worked in the Europe West, Latin America and Caribbean and the External Publicity Divisions. He headed the Branch Secretariat and the Regional Passport Office (RPO) in Hyderabad from 2017-2020. He is currently on deputation to the State Government of Telangana as Special Secretary (Investment Promotion & External Engagement), Vice Chairman & Managing Director, TGIIC, Joint Managing Director, TGTPC & CEO, TOMCOM.

Dr. G Malsur



He is Director of Industries, Commerce and Export Promotion, Government of Telangana and as Director for Sugar & Cane Commissioner. He is holding Master's Degree in Veterinary Science and Higher Diploma in Cooperative Management and joined as Group - I Officer in the year 1990 in the united Andhra Pradesh. Having experience in various capacities looking after World Bank and JICA Funded Projects apart from discharging duties as Commissioner, Command Area Development Authority (CADA) and also worked in Mining Department as Vice Chairman & Managing Director, TG Mineral Development Corporation Ltd. (TGMDC)

OUR DIRECTORS

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.

Shir P Mohanaiah



Mr. Mohanaiah, is a retired Chief General Manager, NABARD and he Postgraduate in Economics from Osmania University. He brings rich and a varied experience in Banking and Rural Development. He started his career as a Branch Manager in Nagarjuna Gramina Bank (NGB) in the Khammam District of Andhra Pradesh. Over 35 years, he has served in NGB, Management Development Institute (MDI) Gurgaon, Reserve Bank of India (RBI) and NABARD in various capacities. He has worked in various locations including Maharashtra, Gujarat, Andhra Pradesh, North Eastern States and West Bengal.

Shir Ravi Kumar Rachakonda



Sri Ravi Kumar Rachakonda is a postgraduate by qualification and a well-known Industrialist based in Hyderabad. He holds directorships in various companies and serves as the Executive Director at M/s.Zetatek Technologies Pvt Ltd (a merged and single unified entity of Motion Dynamic Private Limited and Zetatek Industries Private Limited). He was also associated with Glaxo India Ltd. for nine years before embarking on his industrial career. He is the Sr. Vice President of The Federation of Telangana Chambers of Commerce and Industry (FTCCI)

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 the 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. The company's Board of Directors comprise of professionals having vast experiences in relevant fields numbering 6 including three 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 Managment 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 2024

Category	No of directors	Names
Whole-time Directors	1	Managing Director
Official Directors	3	Shri Jayesh Ranjan, I.A.S Dr E Vishnuvardhan Reddy, I.F.S Dr G Malsur
Independent Directors	1	Dr. A.S. Ramasastry
Total	5	

Details of Board Meetings during the financial year 2023-24

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	07/07/2023	10	08
2	28/10/2023	10	08
3	06/12/2023	10	09
4	24/03/2024	09	06

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	04	01
Shri D. Krishna Bhaskar	00	-
Shri E. Venkat Narsimha Reddy	02	01
Dr. E. Vishnu Vardhan Reddy	01	01
Dr G Malsur	01	01
Dr Yerram Raju Behara	04	01
Shri Venkateswarlu Sistla	03	01

Dr. B. Kinnera Murthy	03	-
Dr. N. Krishna Mohan	04	-
Shri S. Srinivas Rao	03	-
Dr. A.S Ramasastry	02	-
Shri Srinivas Garimella	04	-

Leave of absence is granted to-	On the dates
Sri D. Krishna Bhaskar	07.07.2023, 28.10.2023 & 06.12.2023
Shri E. Venkat Narsimha Reddy	28.10.2023
Dr. A.S Ramasastry	07.07.2023 & 24.03.2024

B. Strategic Management of the Company's business vested with Management Committee (MC) 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 the 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	Managing Director
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 2023-24

Sl. No	Date	MC Strength	No. of Directors Present
1	03/07/2023	4	4
2	12/10/2023	4	4
3	04/12/2023	4	4
4	31/01/2024	4	3

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

C. There is 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 in 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 2018-19.

The whistle Blower Policy of TIHCL would involve the following:

1. Keeping in view of 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 the media or public glare.
5. It shall be the responsibility of the Managing Director & CEO to ensure that the architect of fraud will 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 are 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 2023-24). One of the major driving factors of India's GDP growth is the MSME sector, which employs around 40% of India's Workforce (110.99 M), contributing 44% of the output and 45.73% 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 up to 10	>5 up to 50
Medium	>10 up to 50	> 50 up to 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 plants 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 111 million persons, becoming the second-largest employment generating sector after agriculture.
2. With approximately 63.388 million units throughout the country, it contributes about 30.10% of GDP for FY 2022-23.
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 45.73% of overall Indian exports
5. MSMEs promote all-inclusive growth by providing employment opportunities, especially to people belonging to weaker sections of 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.
7. MSMEs promote innovation by providing an opportunity to budding entrepreneurs to help them build creative products and thereby boost competition in business and fuel growth.

The Indian MSME sector provides silent support to the national economy and acts as a defense against global economic shocks 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 TGIIC 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 -Dandumalkapur TGIIC-TIF-Micro Small and Medium Enterprises (MSMEs) Green Industrial Park inaugurated 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
- Spices Cluster, Nizamabad

OTHER RECENT INITIATIVES

InvoiceMart MoU: An MoU was signed between Government of Telangana and Invoicemart on 3rd March 2023 to create awareness amongst State MSMEs about the TReDS platform through seminars, workshops and one-to-one meetings. TReDS is an electronic platform for facilitating the -financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple -financiers. The collaboration will also support popularization of the Invoicemart platform and onboarding of more MSMEs on the platform from the State.

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.

2024 MSME Outlook - Ease of doing business for MSMEs

1. Expansion of SIDBI Branches:

The Small Industries Development Bank of India (SIDBI) will be crucial in providing direct credit support to MSMEs by establishing new branches. Over the next three years, SIDBI will open 24 new branches, extending its services to 168 of the 242 major MSME clusters. This expansion aims to improve accessibility to credit and support services, ensuring that MSMEs across various regions can benefit from SIDBI's financial assistance and guidance. The increased presence of SIDBI branches will facilitate better support for MSMEs, contributing to their growth and development.

2. New Credit Guarantee Scheme:

Budget 2024 introduced a new credit guarantee scheme specifically for manufacturing MSMEs is another crucial development. This scheme allows MSMEs to obtain term loans without needing collateral or third-party guarantees for their purchases. The government will back these loans through a self-financing guarantee fund, which pools the credit risk of participating companies. This fund will offer guaranteed coverage up to ₹100 crore per applicant, even if the loan amount exceeds this limit. Borrowers must pay an upfront guarantee fee and an annual fee based on the reduced loan amount. By lowering the barriers to obtaining credit, this scheme supports MSMEs in financing their operations and growth initiatives, which is essential for maintaining and expanding their business activities.

3. Strengthened Credit Support for MSMEs in the Special Mention Account (SMA) Stage:

To further support MSMEs facing financial difficulties, especially those in the Special Mention Account (SMA) stage, the government will provide enhanced credit support through a credit guarantee from a government-supported fund. This initiative targets MSMEs experiencing financial challenges due to factors beyond their control. The objective is to prevent these businesses from becoming Non-Performing Assets (NPAs), which can severely affect their financial stability and operational viability. By providing targeted credit guarantees, the government aims to alleviate economic pressures and help these MSMEs navigate difficult periods.

4. TReDS:

TReDS is an electronic platform that facilitates the financing and discounting of trade receivables for MSMEs, helping them manage their cash flow and improve liquidity. The budget also includes a reduction in the turnover threshold for buyers on the TReDS (Trade Receivables Discounting System) platform, from ₹500 crore to ₹250 crore. This change is designed to broaden participation in TReDS, allowing 22 additional public sector undertakings (PSUs) and 7,000 more companies to join the platform. Including medium enterprises as suppliers will enable them to convert their trade

receivables into cash more efficiently, unlocking additional working capital. By expanding access to TReDS, the budget supports MSMEs in optimizing their receivables management and enhancing their financial stability.

5. **Creation of E-Commerce Export Hubs:**

To assist MSMEs in accessing new markets, the government will establish e-commerce export hubs through Public-Private Partnerships (PPPs). These hubs will provide a range of trade and export-related services under one roof, enabling MSMEs and traditional artisans to market their products internationally. Creating these hubs is expected to streamline export processes, reduce barriers to entry for international markets, and enhance the global reach of Indian MSMEs. By facilitating e-commerce exports, the government aims to boost the competitiveness of MSMEs on the global stage.

6. **Increased Limits for TARUN Category MUDRA Loans:**

The TARUN category of MUDRA loans, designed for established businesses with a track record of repayment, has seen its limit increased from ₹10 lakhs to ₹20 lakhs. This adjustment significantly benefits MSMEs, enabling them to access more significant amounts of capital for expansion and upgrading their equipment. The increased loan limit supports business growth and rewards creditworthiness by recognizing and incentivizing responsible borrowers. This move encourages timely repayment and fosters financial discipline, promoting overall financial health within the sector. As a result, successful MSMEs can invest in growth opportunities, enhancing their market presence and competitiveness.

7. **Continuation of Bank Credit During Stress Periods:**

One of the most significant changes is the new mechanism that facilitates continuing bank credit to MSMEs during financial stress. This measure is critical for MSMEs, which often face liquidity and cash flow issues. By maintaining access to credit, MSMEs can cover operational expenses, purchase necessary machinery and equipment, and avoid defaults and bankruptcy. The provision also supports investment in recovery strategies, helping businesses to improve their creditworthiness and build resilience against future financial shocks. Moreover, it boosts confidence and morale among MSME owners and employees, essential for maintaining business operations and fostering a positive business environment.

8. **Development of Food Irradiation and Testing Units:**

The budget also addresses the need for improved quality and safety standards within the MSME sector by planning the establishment of new food irradiation, quality, and safety testing units. Financial support will be provided for setting up 50 multi-product food irradiation units and creating 100 NABL-accredited laboratories. These developments will enhance the quality control processes for MSME products, ensuring they meet the safety and quality standards required for domestic and international markets.

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 strangled 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 rebuilds 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-Idea). 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. General Purpose Composite Term Loan

The main objectives of the product are to consider the following requirements of the entrepreneur:

- a. To consider sanction of a Term Loan facility to finance all movable fixed assets of the Unit.
- b. A portion of the limit is to be allotted for term loan requirements and the balance portion to meet their working capital requirements.

10. Priority Sanction

- a. 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 recommendation to the I&C dept through its Study Report, for consideration of early release of sanctioned investment subsidy (T-Idea).

Operations of TIHCL

The company as on 31st March 2024 handled 715 clients providing them consultancy and advisory services thereby providing resolution to their problems, in the last 6 years. It has also provided funding assistance for 57 to the extent of Rs.776.10 lakh. TIHCL has provided Diagnostic study reports for 820 units helping for priority release of incentives in the last 6 years.

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

Marketing Strategy

- b. TIHCL engages with Banks and MSMEs involving considerable time in awareness and identifying the potential enterprise. Apart from this TIHCL also engaged with Industrial associations and IALAs.
- c. 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
- d. 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 Pashamailaram clusters.
- e. 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.
- f. 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. Basing on the study findings, we have initiated action to help the needy entrepreneurs to avoid stress in the units.

Growth strategy

Our growth strategy is to increase productivity in terms of marketing by reaching 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 are in the areas of Credit risk, Operational risk, Regulatory 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 mechanisms, 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 Members,

Telangana Industrial Health Clinic Limited

HDC017, M D AP, IND DEV Corporation Parisrama Bhavan,
5-9-58/8, Fateh Maidan Road, Hyderabad, Telangana, India, 500029

Your Directors have pleasure in presenting the 07th 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, 2024.

FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended 31st March, 2024 is summarized below:

(Amount in '000)		
Particulars	Year ended 31 st March 2024.	Year ended 31 st March 2023.
Revenue from Operations	19560.81	15596.85
Other Income	9648.84	6621.73
Total Revenue	29209.65	22218.58
Expenses	18379.11	18623.41
Depreciation	2061.44	1668.75
Total Expenses	20440.55	20292.16
Profit / (loss) before exceptional and extraordinary items and Tax	8769.10	1926.42
Less: Prior Period Items	5.86	75.00
Profit/ (loss) Before Taxation	8774.96	2001.42
Less: - Current Tax	1987.73	-
- MAT Credit	(120.79)	-
- Deferred Tax	(350.00)	(184.00)
Profit / (loss) After Tax	7258.02	2185.42

STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the financial year ended 31st March 2024, the company earned revenue of **Rs. 292.10 lakh** and incurred expenses of **Rs. 204.41 lakh**. Company has got profit of Rs. 72.58 lakh. The company has earned a profit of Rs.72.58 Lakh as against a profit of Rs.21.85 Lakh for the previous financial year, after making adjustment for Deferred tax amount of Rs. 3.50 lakh and MAT Credit of Rs.1.21 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.14.42 lakh, was transferred to the Statutory Reserve during the financial year ended 31st March 2024.

DEPOSITS

The Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the financial Year 2023-24.

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 2023-24.

MEETINGS OF THE BOARD OF DIRECTORS

For the financial year ending 31st March 2024, 4 (Four) Meetings of the Board of Directors of the Company were convened and held on 07.07.2023, 28.10.2023, 06.12.2023 and 24.03.2024.

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 2024 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, 2023, 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 2023-24 a meeting of the RMC was held on 23.11.2023.

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 Blower Mechanism for directors and employees to report genuine concerns has been established.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

S No	Name of Director	Designation	Date of Appointment	Date of Cessation
1.	Sri Jayesh Ranjan	Director	07.06.2017	-
2.	Dr. E Vishnuvardhan Reddy	Nominee Director	11.01.2024	-
3.	Dr Malsur G	Nominee Director	11.01.2024	-
4.	Dr Behara Yerram Raju	Director		31.03.2024
5.	Sri Sriramshetty Srinivasa Rao	Independent Director	-	15.03.2024

6.	Dr. Krishna Mohan Nori	Independent Director	-	15.03.2024
7.	Dr. Kinnera Murthy Bhagavatula	Independent Director	-	15.03.2024
8.	Sri Allamraju Subramanya Ramasastry	Independent Director	10.03.2024	-
9.	Sri Srinivas Garimella	Independent Director	-	22.03.2024
10.	Sri Kurelli Nagarjuna	Key Managerial Person - Company Secretary	-	02.05.2024
11.	Sri U V V L Prasad	Key Managerial Person - Chief Financial Officer	07.12.2023	-

Sri Venkateswarlu Sistla resigned as Managing Director of the company w.e.f 31.12.2023 and relieved from duties.

Sri Mohanaiah Paladi & Sri Ravi Kumar Rachakonda appointed as an Additional Independent Non-Executive Director of the Company w.e.f 20.06.2024 and 24.07.2024 respectively.

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. **MATHESH & RAMANA**, 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 01.04.2023 to 31.03.2024.

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 2024, 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 2024 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.

MAINTENANCE OF COST RECORDS

During the Financial Year 2023-24, the Company was not required to maintain any cost records and to appoint any Cost Auditor as Section 148(1) of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014 were not applicable to the Company.

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/-
Mohanaiah Paladi
Director
DIN: 03185251

Sd/-
Jayesh Ranjan
Chairman & Director
DIN: 00003692

Date: 03.09.2024

Place: Hyderabad



महालेखाकार का कार्यालय (लेखापरीक्षा)

तेलंगाणा, हैदराबाद

OFFICE OF THE ACCOUNTANT GENERAL (AUDIT) Telangana, Hyderabad

Lr. No. AG (Audit)/TSC/AA/TIHCL/2023-24/151

Date: 19.08.2024

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 2024

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 2024 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 2023-24 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. Three copies of the annual report for the year 2023-24 are to be furnished in due course without fail.

Yours faithfully,
SD/-

Encl: As abov

(Nageswara Reddy M, IAAS)
Sr. Deputy Accountant General/AMG-II

**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 2024**

The Preparation of financial statements of Telangana Industrial Health Clinic Ltd for the year ended 31st March 2024 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 Auditor 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 20.06.2024.

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 2024 under section 143 (6) (a) of the Act.

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

Place: Hyderabad
Date: 19.08.2024

SD/-
(P. Madhavi)
Accountant General (Audit)



MATHESH & RAMANA
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED,

Report on the Audit of the Financial Statements

Opinion:

We have audited the Financial Statements of **M/s. TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED** which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024;
- b) In the case of the Statement of Profit and Loss Account, of the profit for the period ended on that date and
- c) In the case of the Statement of Cash Flow, of the cash flows, for the period ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed

in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report and the Annexures thereto, but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- 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 auditor's report to the related disclosures in the Standalone 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 auditor's 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give "**Annexure-A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable to the company.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, we are of the opinion that the company has adequate internal financial controls system in place and the operating effectiveness of such controls. Refer to our separate report in "**Annexure - B**".
 - (g) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no such amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv.(a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds 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 person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (C) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year hence compliance with provisions of Section 123 of the Companies Act 2013 does not arise.
- vi. Based on our examination, which include test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 but the same does not have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. As the audit trail feature is not adopted in the first place, tampering it with or preserving it by the company as per the statutory requirements for record retention does not arise.
- 3) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act and is not in excess of the limit laid down under this Section and Schedule V of the Act.

For **MATHESH & RAMANA**
CHARTERED ACCOUNTANTS

K. MATHESH REDDY
M. No. 026285 Partner

Place: Hyderabad
Date: 20-06-2024
UDIN: 24026285BKBGPB9767

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**Re: TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED**

Referred to in Paragraph 1 under section (Report on other Legal and Regulatory Requirements of our Report of even date)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- i.
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) The Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) being held in the name of the company does not arise as the Company does not have any immovable property.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under during the year.
- 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 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 made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

- (a) According to the information and explanations given to us as the company is registered as an NBFC whose principle business is to give loans, accordingly Clause 3(iii)(a) of the order is not applicable.
- (b) According to the information and explanation given to us and based on the audit procedures conducted by us, in our opinion the company has not provided any guarantees, has not given any security during the year. The terms and conditions for the investments made and for the grant of all loans and advances in the nature of loans given 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 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 instances:

S. NO.	Name of the Unit	Date of Advance	Sanctioned Limit	Date of NPA	Real Account Balances as on 31/03/2024	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	15/09/2021	3,50,876	Nil
4.	Elite Foam Pvt Ltd	17/02/2023	9,50,000	30/06/2023	8,24,026	Nil
5.	Usha Kamal Enterprises	11/01/2023	5,60,000	29/02/2024	5,58,740	Nil
6.	16 Siricilla Accounts	Oct 2018	1,48,72,928	26/03/2020	1,48,72,928	Nil
	Total		2,01,55,928		2,00,06,570	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 are no other overdues for more than 90 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.

- (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 loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us, the company has complied with requirements of section 185 and 186 in respect of loans, investments, guarantees or security made by it during the year under audit.
- 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. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products / services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii. (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales - tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities except in case of TDS of Rs. 1,02,854/- Further, no undisputed amounts payable in respect there of were outstanding at the year-end for a period of more than six months from the date they became payable except in case of TDS of Rs. 1,02,854/-.
- (b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanation given to us, the company has no transactions that are not recorded in the books of account and 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 Institutions or government or any government authority.
- (c) The company has not obtained any term loans hence reporting under clause 3(ix)(c) of the order is not applicable to the company.
- (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) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year.
- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (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 provisions of the Clause 3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013.
- xiv. According to the information and explanations given to us, the company has no internal audit system.
- xv. According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.
- 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 Financials or Housing Finance Activities without valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank 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) & (d) of the order is not applicable.

- xvii. According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year.
- xviii. During the period under review C&AG has appointed a new auditor as the term of the previous auditor has completed as per the prevailing statute. Hence the provisions of clause 3(xviii) of the Order are not applicable.
- 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, our knowledge of the Board of Directors and management plans and based on our 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 incapable 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 information and explanations given to us the provisions of Sec 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.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **MATHESH & RAMANA**
CHARTERED ACCOUNTANTS

K. MATHESH REDDY
M. No. 026285 Partner

Place: Hyderabad
Date: 20.06.2024



MATHESH & RAMANA
CHARTERED ACCOUNTANTS

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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 **TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED** ("the Company") as of 31st March 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

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 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MATHESH & RAMANA**
CHARTERED ACCOUNTANTS

SD/-

K. MATHESH REDDY

M. No. 026285 Partner

Place: Hyderabad

Date: 20.06.2024

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 31-03-2024

(Amount in '000)

PARTICULARS	Note Number	As on 31-03-2024		As on 31-03-2023	
<u>(I) EQUITY AND LIABILITIES:</u>					
(1) Share Holders' Funds:					
(a) Share Capital	2.01	100260.00		100260.00	
(b) Reserves & Surplus	2.02	66439.16		59231.13	
(c) Money Received against share warrants		-Nil-		-Nil-	
			166699.16		159491.13
(2) Share Application Money Pending Allotment			-Nil-		-Nil-
(3) Non Current Liabilities					
(a) Long Term Borrowings	2.03	6535.93		15443.93	
(b) Deferred Tax Liabilities (net)	2.04	-Nil-		-Nil-	
(c) Other Long Term Liabilities		-Nil-		-Nil-	
(d) Long Term Provisions	2.05	20557.40		8713.97	
			27093.33		24157.90
(4) Current Liabilities					
(a) Short Term Borrowings		-Nil-		-Nil-	
(b) Trade Payables		-Nil-		-Nil-	
(c) Other Current Liabilities	2.06	1406.08		4145.55	
(d) Short Term Provisions	2.07	1688.86		-Nil-	
			3094.94		4145.55
			196887.43		187794.58
<u>(II) ASSETS:</u>					
(1) Non Current Assets					

(a) Property, Plant & Equipment and Intangible Assets	2.08				
(i) Property Plant and Equipment		626.85		681.85	
(ii) Intangible Assets		-Nil-		1894.79	
(iii) Capital Work In Progress		-Nil-		-Nil-	
(iv) Intangible Assets Under Development		418.56		-Nil-	
			1045.41		2576.64
(b) Non Current Investments		-Nil-		-Nil-	
(c) Deferred Tax Asset (net)	2.04	502.22		152.21	
(d) Long Term Loans & Advances	2.09	36619.17		44772.19	
(e) Other Non Current Assets		-Nil-		-Nil-	
			37121.39		44924.40
(2) Current Assets					
(a) Current Investments	2.10	100000.00		-Nil-	
(b) Inventories		-Nil-		-Nil-	
(c) Trade Receivables	2.11	-Nil-		-Nil-	
(d) Cash & Cash Equivalents	2.12	55580.13		139286.40	
(e) Short Term Loans & Advances		-Nil-		-Nil-	
(f) Other Current Assets	2.13	3140.51		1007.14	
			158720.64		140293.54
			196887.43		187794.58
Total:					
Significant Accounting Policies and Notes to Accounts	1&2				

As per our report of even date attached

**For MATHESH & RAMANA
CHARTERED ACCOUNTANTS**

**SD/-
K. MATHESH REDDY
Partner M.No. 026285**

Place : Hyderabad
Date : 20.06.2024

For & on behalf of the Board

**SD/-
Chief Financial Officer**

**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 31-03-2024

(Amount in '000)

	PARTICULARS	Note Number	As on 31-03-2024		As on 31-03-2023	
I.	Revenue from Operations	2.14		19560.81		15596.85
II.	Other Income	2.15		9648.84		6621.73
III.	Total Income (I + II)			29209.65		22218.58
IV.	Expenses:					
	Employee benefits expense	2.16		8992.91		9755.33
	Finance costs	2.17		147.27		5.12
	Depreciation and Amortisation Expenses	2.18		2061.44		1668.75
	Other Expenses	2.19		9238.93		8862.96
	Total Expenses			20440.55		20292.16
V.	Profit before exceptional and extraordinary items and tax (III - IV)			8769.10		1926.42
VI.	Exceptional Items/Extraordinary Items			-Nil-		-Nil-
VII.	Prior Period Items			5.86		75.00
VII.	Profit Before Tax (V-VI)			8774.96		2001.42
VIII.	Tax Expense:					
	(1) Current Tax		1987.73		-Nil-	

	(2) MAT Credit		(120.79)			
	(3) Deferred Tax		(350.01)		(184.00)	
	(4) Excess Provision Written Off		-Nil-		-Nil-	
				1516.94		(184.00)
IX.	Profit for the period(VIII-IX)			7258.02		2185.42
X.	Earning Per Share					
	Basic			7.24		2.18
	Diluted			7.24		2.18
XI.	Number of Shares used for EPS working					
	Basic			1002600		1002600
	Diluted			1002600		1002600
XII.	Significant Accounting Policies and Notes to Accounts	1 & 2				

As per our report of even date attached

**For MATHESH & RAMANA
CHARTERED ACCOUNTANTS**

**SD/-
K. MATHESH REDDY
Partner M.No. 026285**

Place : Hyderabad
Date : 20.06.2024

For & on behalf of the Board

**SD/-
Chief Financial Officer**

**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, 2024

(Amount in '000)

Particulars	As at 31.03.2024	As at 31.03.2023
A. Cash Flow from Operating Activities:		
Net Profit before Tax and Extraordinary Items	8774.96	2001.42
Adjustments for:		
Depreciation	2061.44	1668.75
Profit from Sale of Mutual Funds	(4755.63)	(5304.00)
Provision for NPA	-	1827.07
Interest Received / Non Operating Income	(4327.18)	(1317.73)
Operating profit before Working Capital Changes	1753.59	(1124.49)
Adjustments for:		
Trade and Other receivables	-Nil-	535.07
Long Term Provision	11843.43	1827.07
Other Current & Non Current Assets	(2133.37)	(879.63)
Trade Payables and other Current Liabilities	(1050.61)	911.51
Cash generated from Operations	8659.45	2394.02
Cash flow before Extraordinary Items & Tax	8659.45	2394.02
Extraordinary Items & Tax	1916.94	-Nil-
Net Cash used for Operating activities	8496.11	1269.53
B. Cash Flow from Investing Activities:		
Net Purchase of Fixed Assets	(111.65)	(19.35)
Sale of Fixed Assets	-Nil-	-Nil-
Increase/(Decrease) in Capital Work in Progress	(418.56)	-Nil-
Long Term Loans & Advances	8153.02	(9325.44)
Short Term Loans & Advances	-Nil-	-Nil-
Increase/ Decrease Investments	(100000.00)	110126.22

Profit from Sale of Mutual Fund	4755.63	5304.00
Interest & Other Income	4327.18	1317.73
Net Cash flow from Investing activities	(83294.38)	107403.17
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 Borrowings	(8908.00)	6535.93
Short Term Borrowings	-Nil-	-Nil-
Provision for NPA	-	(1827.07)
Net Cash flow from Financing activities	(8908.00)	4708.85
Net Increase in Cash and Cash Equivalents	(83706.27)	113381.55
Cash and Cash Equivalents as at (Opening Balance)	139286.40	25904.84
Cash and Cash Equivalents as at (Closing Balance)	55580.13	139286.40

As per our report of even date attached

**For MATHESH & RAMANA
CHARTERED ACCOUNTANTS**

**SD/-
K. MATHESH REDDY
Partner M.No. 026285**

Place : Hyderabad
Date : 20.06.2024

For & on behalf of the Board

**SD/-
Chief Financial Officer**

**SD/-
Director
DIN : 00003692**

TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED**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 a 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 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 an 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 of all incidental expenses attributable to bringing the asset to its working condition.

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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 an accrual basis except in the case of income on Non-Performing Advances. Interest on Non-Performing Advances is recognized as per the extant guidelines of 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. For all the eligible employees, Gratuity Provision is made as per the extant guidelines.

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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 Liabilities & 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. 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 contingent liability but discloses its existence in the financial statements.

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1.12 Government Grants:

Government grants are recognized 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 values. Government grants related to revenue are recognized 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 purpose of giving immediate financial support to the enterprise with no further related costs, are recognized 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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(Amount in '000)

2. NOTES TO ACCOUNTS

2.01 SHARE CAPITAL

Particulars	As on 31-03-2024	As on 31-03-2023
Authorised		
(A) Capital: 11,00,000 Equity shares of Rs.100/- each With Voting Rights	110000.00	110000.00
Issued, Subscribed & Paid up		
(B) 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 preferential amounts, in proportion of their shareholding.

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

Particulars	As on 31-03-2024		As on 31-03-2023	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	1002600	100260.00	1002600.00	100260.00
Shares issued during the year	-Nil-	-Nil-	-Nil-	-Nil-
<u>Add:</u>	1002600	100260.00	1002600.00	100260.00
Shares bought back during the year	-Nil-	-Nil-	-Nil-	-Nil-
<u>Less:</u>				
Shares outstanding at the end of the year	1002600	100260.00	1002600.00	100260.00

(D) Names of Persons who are holding more than 5% Shares in the Paid up Capital: (Amounts in '000)

Name of the Shareholder	31-03-2024		31-03-2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
H. E. Hon'ble Governor - Telangana State (together with nominee)	1000000	99.74%	1000000.00	99.74%
	1000000	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 2024		As on 31 March 2023	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
H. E. Hon'ble Governor - Telangana State (together with nominee)	-Nil-	1000000	99.74%	1000000.00	99.74%
	-Nil-	1000000	99.74%	1000000.00	99.74%

2.02**RESERVES AND SURPLUS:**

Particulars	As on 31-03-2024	As on 31-03-2023
(A) CAPITAL RESERVE	100000.00	100000.00
(B) <u>Surplus/(Deficit) in statement of profit loss</u>		
Opening Balance	(41205.95)	(42954.29)
<u>Add:</u> Profit / Loss for the Current Year	7258.02	2185.42
<u>Less:</u> Income Tax for FY 2022-2023	(49.99)	0.00
<u>Less:</u> Transfer to Statutory Reserve (Refer Note No. 2.36)	(1441.61)	(437.08)
	(35439.52)	(41205.95)

(C) <u>Statutory Reserve</u>		
Opening Balance	437.08	-Nil-
<u>Add:</u> Provision for Current Year	1441.61	437.08
	1878.69	437.08
Total (A) + (B) + (C)	66439.16	59231.13

2.03 LONG TERM BORROWINGS:**(Amount in '000)**

Particulars	As on 31-03-2024	As on 31-03-2023
Unsecured Loans from Government	6535.93	15443.93
	6535.93	15443.93

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

2.03 DEFERRED TAX ASSET/ LIABILITY:

Particulars	As on 31-03-2024	As on 31-03-2023
Opening Deferred Tax Asset / Liability	(152.21)	31.79
<u>Add/(Less):</u> Due to Timing Differences in Depreciation Rates	(350.01)	(184.00)
Net Deferred Tax Asset / Liability	(502.22)	(152.21)

2.04 LONG TERM PROVISIONS:

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Provision for Contingency for Standard Asset	64.71	64.71
(b) Provision for Non Performing Assets	20006.57	8311.75
(c) Provision for Gratuity	486.12	337.51
TOTAL	20557.40	8713.97

2.05 OTHER CURRENT LIABILITIES:

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Statutory Liabilities	417.99	597.38
(b) Outstanding Expenses	798.57	943.74
(c) Excess Amount Recovered, Payable to Client	189.52	2604.43
	1406.08	4145.55

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NOTE NO. 2.08 - FIXED ASSETS & DEPRECIATION AS PER COMPANIES ACT 2013

(Amount in '000)

Sl. No.	Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
		Balance as at 01-04-2023	Additions/ (Disposals)	Balance as at 31-03-2024	Balance as at 01-04-2023	For the Year	Adj. 31-03-2024	Transferred to Reserve	Balance as at 31-03-2024	Balance as at 31-03-2024	Balance as at 31-03-2023
1	Computer	559.04	41.65	600.69	535.26	14.91	-Nil-	-Nil-	550.17	50.52	23.78
2	Furniture & Fixtures	446.07	-Nil-	446.07	226.86	42.38	-Nil-	-Nil-	269.24	176.83	219.21
3	Printers	217.92	-Nil-	217.92	77.15	15.93	-Nil-	-Nil-	93.08	124.84	140.77
4	Office Equipment	231.71	70.00	301.71	194.57	34.40	-Nil-	-Nil-	228.97	72.74	37.14
5	Air Conditioners	487.01	-Nil-	487.01	238.82	46.27	-Nil-	-Nil-	285.09	201.92	248.19
6	UPS - Hitachi	182.97	-Nil-	182.97	173.82	9.15	-Nil-	-Nil-	182.97	0.00	9.15
7	Paper Shredder	5.29	-Nil-	5.29	1.68	3.61	-Nil-	-Nil-	5.29	0.00	3.61
		2130.01	111.65	2241.66	1448.16	166.65	0.00	0.00	1614.81	626.85	681.85
	<u>Intangible Assets</u>										
1	Tally software	18.22	-Nil-	18.22	17.31	0.91	-Nil-	-Nil-	18.22	0.00	0.91
2	I- Health Software	7567.25	-Nil-	7567.25	5673.37	1893.88	-Nil-	-Nil-	7567.25	0.00	1893.88
		7585.47	0.00	7585.47	5690.68	1894.79	0.00	0.00	7585.47	0.00	1894.79
1	Intangible Assets Under Development Software - Integrated Accounting Software	0.00	418.56	418.56	0.00	0.00	0.00	0.00	0.00	418.56	0.00
		0.00	418.56	418.56	0.00	0.00	0.00	0.00	0.00	418.56	0.00
	TOTAL	9715.48	530.21	10245.69	1448.16	2061.44	-Nil-	-Nil-	9200.28	1045.41	2576.64
	PY	9696.13	19.35	9715.48	5470.08	1668.75	-Nil-	-Nil-	7138.84	2576.64	4226.05

2.06 SHORT TERM PROVISIONS

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Provision for Taxation	1987.73	0.00
Less: TDS	424.69	0.00
Add:		
Interest	125.82	0.00
Less: MAT		
Credit	0.00	0.00
	1688.86	0.00

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

Particulars	As on 31-03-2024	As on 31-03-2023
Other Loans and Advances	36619.17	44772.19
	36619.17	44772.19

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 instalments and bullet repayments on a 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 those companies include Non performing assets of Rs 1,47,42,808/-.

2.10 CURRENT INVESTMENTS:

Particulars	As on 31-03-2024	As on 31-03-2023
(a) ICICI All Season Bonds	20000.00	-Nil-
Investments in ICICI Prudential Short Term		
(b) Fund	10000.00	-Nil-
(c) Investment in ICICI Prudential Gilt Fund	10000.00	
Investments in Nippon India Corporate Bond		
(d) Fund	20000.00	-Nil-
Investment in Nippon India Short Term		
(e) Fund	20000.00	
(f) Investment in SBI Magnum Gilt Fund	10000.00	-Nil-
(g) Investment in SBI Short Term Debt Fund	10000.00	-Nil-
	100000.00	-Nil-

2.11 TRADE RECEIVABLES:

Particulars	As on 31-03-2024	As on 31-03-2023
Processing Fees Receivables	-Nil-	-Nil-
	-Nil-	-Nil-

2.12 CASH & CASH EQUIVALENTS:

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Balances with banks		
- In Current Account with banks	1172.22	387.17
- In Deposit Account with banks		
- held for a period of less than 12m	54404.76	88996.76
- held for a period of more than 12m	0.00	49900.00
(b) Cash on Hand	3.15	2.47
	55580.13	139286.40

2.13 OTHER CURRENT ASSETS:

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Accrued Interest on FDR	2450.81	668.97
(b) TDS Receivable	150.13	245.42
(c) Prepaid Expenses	127.43	92.75
(d) Other Current Assets	0.44	-Nil-
(e) MAT Credit	411.70	-Nil-
	3140.51	1007.14

2.14 REVENUE FROM OPERATIONS:

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Interest From Loans	2040.59	2877.46
(b) Processing Fee	17520.22	12464.10
(c) Hand Holding Charges	-Nil-	-Nil-
(d) Loan Documentation Charges	-Nil-	185.29

(e)	Diagnostic Fee	-Nil-	70.00
		19560.81	15596.85

2.15 OTHER INCOME:

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Interest On IT Refund	-Nil-	-Nil-
(b) Interest On Bank Deposits	4327.18	1315.73
(c) Reimbursement of Training - NIMSME	-Nil-	-Nil-
(d) Reimbursement of Expenses	566.03	2.00
(e) Profit From Sale of Mutual Funds	4755.63	5304.00
	9648.84	6621.73

2.16 EMPLOYEE BENEFITS EXPENSE:

Particulars	As on 31-03-2024	As on 31-03-2023
(a) Salaries & Allowances (including Contract Employees)	6974.29	6860.81
(b) Remuneration To Managing Director & Advisor	1800.00	2557.02
(c) Gratuity Expenses	148.62	337.50
(d) Incentives to Staff	70.00	-Nil-
	8992.91	9755.33

2.17 FINANCE COSTS:

Particulars	As on 31-03-2024	As on 31-03-2023
Bank & Finance Charges	5.87	5.12
Interest on Income Tax (Previous Year)	15.02	0.00
Interest on Income Tax	125.82	0.00
Interest on TDS	0.56	0.00
	147.27	5.12

2.18 DEPRECIATION AND AMORTIZATION EXPENSES:

Particulars	As on 31-03-2024	As on 31-03-2023
Depreciation	2061.44	1668.75
	2061.44	1668.75

2.19 OTHER EXPENSES:

Particulars		As on 31-03-2024	As on 31-03-2023
1	Books & Perodicals	12.24	13.00
2	Postage & Telegrams	5.48	3.40
3	Advertisment Expenses	94.34	115.55
4	Communication Expenses	45.45	-Nil-
5	Certification Expenses	25.00	25.00
6	Printing & Stationary	198.36	26.43
7	Professional & Consultancy Charges	1278.93	1160.83
	Auditors		
8	Fees	75.00	75.00
9	Travelling & Convayance Expenses	274.61	1463.22
10	Registration & Filing Fees	55.13	5.90
	Director		
11	Sitting Fee	287.76	451.26
12	Subcription Expenses	71.83	26.80
	Electricity		
13	Charges	241.40	236.22
	Office		
14	Maintenance	583.43	593.77
15	Rent, Rates & Taxes	2223.08	1920.21
16	Repair & Maintenance	229.66	236.08
	Cloud		
17	Storage Cost	-Nil-	153.68
18	Web Maintenance Charges	107.08	58.61
19	Provision for Standard Asset	0.00	27.74
20	Provision for Non Performing Assets	2841.92	1461.83
	General		
21	Expenses	284.66	432.24
	Meeting		
22	Expenses	46.56	28.41
23	GST late fee & Interest on Late Filing	20.78	8.13
24	Income Tax	1.39	0.00
	Survey		
25	Expenses	-Nil-	307.65
26	Stipend	188.60	32.00
27	Honorarium	46.24	0.00
		9238.93	8862.96

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There were no foreign exchange earnings and out go during the year.

2.22. MANAGERIAL REMUNERATION: (Rs. In '000)

		31 March 2024
1	Sri. Venkateswarlu Sistla	1800.00

2.23. Auditors' Remuneration: (Rs. In '000)

Sl. No.	Particulars	As on 31-03-2024	As on 31-03-2023
1.	Statutory Audit Fees	75.00	75.00
	Reimbursement of Goods and Service Tax	13.50	13.50
2.	Tax Audit Fees	15.00	15.00
	Reimbursement of Goods and Service Tax	2.70	2.70
3.	Certification Fees	10.00	10.00
	Reimbursement of Goods and Service Tax	1.80	1.80
	Total:	118.00	118.00

2.24. DEFERRED TAX : (Rs. In '000)

	31 March 2024
In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Liability/ Assets in the books of account.	
Net Block as per Companies Act	626.85
Net Block as per Income Tax Act	2558.45
Timing Difference	1931.60
Net Tax Asset as on 31-03-2024	502.22
Less: Deferred Tax Asset as on 31-03-2023	152.21
Effect on Profit and Loss Account (Deferred Tax Income for the year)	350.01

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i.	Number of equity shares outstanding at the beginning of the year.	10,02,600
ii.	Number of equity shares issued during the year.	Nil
iii.	Total number of equity shares outstanding at the end of the year. (used for denominator for calculating EPS)	10,02,600
iv.	Profit available to share holders.	7258.02
v.	Basic Earnings per Share. (Face Value Rs. 100/-) in Rupees	Rs. 7.24

(B) DILUTED EARNING PER SHARE**(Rs. In '000)**

i.	Number of equity shares outstanding as per Point No. iii above.	10,02,600
ii.	Weighted average number of potential equity shares outstanding	Nil
iii.	Weighted average number of shares outstanding (used for denominator for calculating EPS)	10,02,600
iv.	Profit available to share holders	7258.02
v.	Diluted Earnings per Share. (Face Value Rs. 100/-) in Rupees	Rs. 7.24

- 2.26. 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 transactions during the year in the ordinary course of business, as certified by the Management are disclosed below:

(I) Key Managerial Persons:

Sl. No.	Name of the Person	Relationship
1.	Sri Jayesh Ranjan, I.A.S	Chairman
2.	Dr. E Vishnu Vardhan Reddy, I.F.S	Nominee Director
3.	Dr. G Malsur	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 Ramasastry	Independent Director
9.	Sri. Srinivas Garimella	Independent Director
10.	Sri. Venkateswarlu Sistla	Managing Director & C E O

(II) Nature of Transactions with Related Parties during the year: (Rs. In '000)

Sl. No.	Name of the Person	FY 2023-24	FY 2022-23
1.	Rent: Telangana State Industrial Development Corporation	1943.48	1879.26

1.	Sitting Fees: Independent directors		
		318.00	398.94
1.	Remuneration: Sri. Venkateswarlu Sistla		
		1800.00	2101.10

2.27. 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.

2.28. 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.

Provision for Gratuity is created but the actuarial valuation based on which such provision is to be created is not found on record. Instead the Gratuity Fund is created based on Years of Employment, the amount of Rs. 1,48,616/- is charged to the profit and loss account on an accrual basis but no payment is made in respect of the same.

2.29. Provident Fund Contribution of Rs. 32,388/- for the month of August was remitted twice.

2.30. The Company has provided an amount of Rs. 1,02,854/- towards short deduction of TDS, but the same has not yet been paid. The above said provision is made based on the information available on Income Tax Portal.

2.31. Upon reconciliation of GST Returns and books of accounts it has been noticed that there is a mismatch in the Turnover. The turnover as per books is Rs. 1,75,20,036/- whereas the Turnover as per Returns is Rs. 1,70,92,194/- resulting in a difference of Rs. 4,27,842/- which in turn resulted in short payment of Rs. 38,522/- and Rs. 38,522/- under CGST and SGST respectively. The same has been paid through DRC-03 vide Ref. No. AD3606240078044 dated: 04.06.2024.

2.32. Provision for Standard Assets required to be maintained for the year ended 31st, March 2024 is Rs.41,532/-.The opening balance of Provision for Standard Assets as on 31st, March 2023 is Rs. 64,713/-.The management is continuing the Provision at Rs. 64,713/- only.

2.33. 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.

TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED**CIN : U74999TG2017SGC117624****#5-9-58/B, Parishrama Bhavanam, Fateh Maidan Road, Basheerbagh, Hyderabad - 500004.****2.34. Analytical Ratios:**

Sl. No.	Particulars	Numerator	Denominator	FY 2024	FY 2023	Difference (%)
(a)	Current Ratio	Current Assets	Current Liabilities	51.28	33.84	51.54
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.04	0.10	-59.51
(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	0.04	0.01	217.75
(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	0.13	0.11	9.72
(i)	Net Profit Ratio	Net Profit	Revenue	0.37	0.14	164.81
(j)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.05	0.01	319.48
(k)	Return on Investment	Income generated from investments	Time weighted average investments	NA	NA	NA

Reasons for the Changes More than 25%

- (A) **Current Ratio:** The current ratio has increased as there is a significant increase in current assets and also there is significant decrease in the current liabilities in the current financial year.
- (B) **Debt Equity Ratio:** The debt equity ratio has decreased as there is a significant decrease in the loan and also there is significant increase in the revenue in the current financial year.
- (C) **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.
- (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 2023-24 when compared with previous financial year 2022-23.

2.35. During the year the following provisions were made:

Particulars	Rupees in Thousands
Current Tax	1987.73

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- 2.36. During the year the company transferred an amount of Rs.14,41,610/- to Statutory Reserve as per Regulation 45(IC) of RBI Act 1934 by creating a provision of 20% of the current year's profits.
- 2.37. Loans given to Siricilla Weavers became Non-Performing Assets (NPA) during the FY 2019-20 of which Rs. 1,48,72,928/- are outstanding as on 31-03-2024. 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.
- 2.38. The Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 but the same does not have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. As the audit trail feature is not adopted in the first place, tampering it with or preserving it by the company as per the statutory requirements for record retention does not arise.
- 2.39. All the amounts are rounded off to the nearest thousands.
- 2.40. 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.

By Order of the

Board For MATHESH & RAMANA
Chartered Accountants

SD/-
CA. K. MATHESH REDDY
 Partner M.No. 026285

SD/-
Chief Financial Officer

SD/-
Director
 DIN: 00003692

PLACE: Hyderabad
DATE : 20.06.2024
UDIN: 24026285BKBGPB9767

Contact Us



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<https://tihcl.telangana.gov.in/>

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

