

19th Annual Report



2018 - 19



THANGAMAYIL JEWELLERY LIMITED®

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Annual General Meeting

Date : 1st August 2019

Time : 11.45 am

Venue : Tamilnadu Chamber of Commerce & Industry
#178-B, Kamarajar Salai, Madurai - 625009.



Board of Directors

**N.B.Kumar**

Joint Managing Director

Balarama Govinda Das

Chairman and Managing Director

Ba. Ramesh

Joint Managing Director

INDEPENDENT DIRECTORS

**Lalji Vora****S.Rethinavelu****V.R.Muthu****V.Ramasamy****CS.V.Vijayaraghavan**
Company Secretary**Yamuna Vasini Deva Dasi**
Non Executive Director**B.Rajeshkanna**
Chief Financial Officer

REGISTRAR AND TRANSFER AGENT

S.K.D.C Consultants Limited
Kanapathy Towers, 1391/A-1 Sathy Road, Ganapathy,
Coimbatore – 641 006.

AUDITORS

M/s.Srinivas & Padmanabhan
Chartered Accountants
Chennai

SECRETARIAL AUDITOR

S. Muthuraju, B.Sc., FCA., ACS.,
Madurai

BANKERS

Axis Bank Limited
Karur Vysya Bank Limited
HDFC Bank Limited
Yes Bank Limited
Federal Bank Limited
Tamilnad Mercantile Bank Limited
IDBI Bank Limited

REGISTERED OFFICE

No.124, Nethaji Road
Madurai - 625 001.

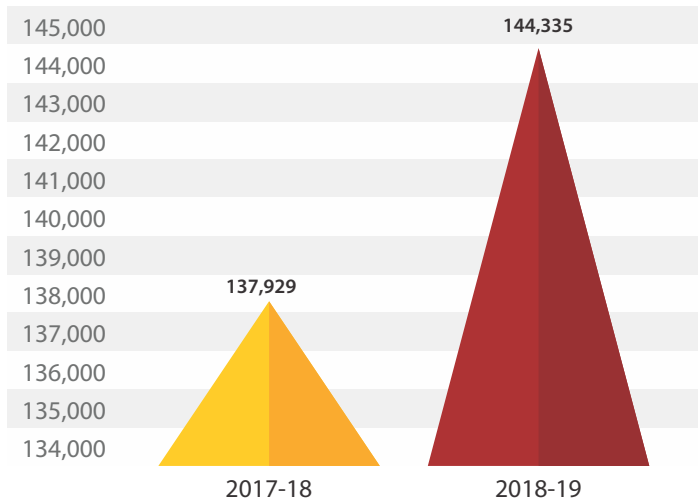
CORPORATE OFFICE

No.25/6, Palami Centre,
New Natham Main Road,
Madurai - 625 014.
CIN - L36911TN2000PLC044514

HIGHLIGHTS OF FINANCIALS

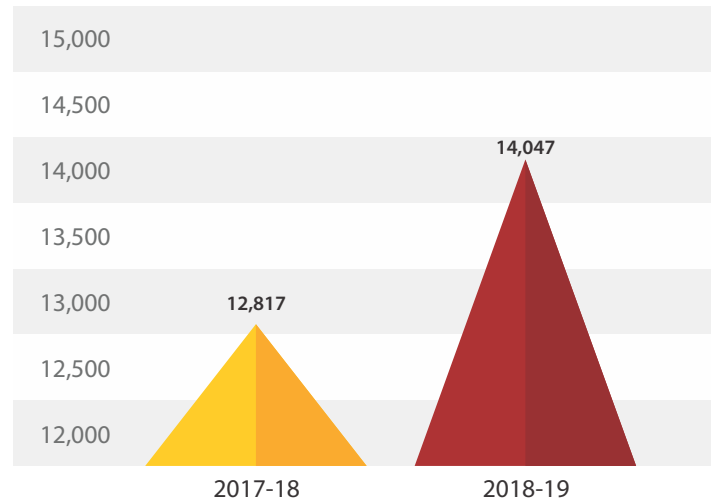
Turnover

₹. (in lakhs)



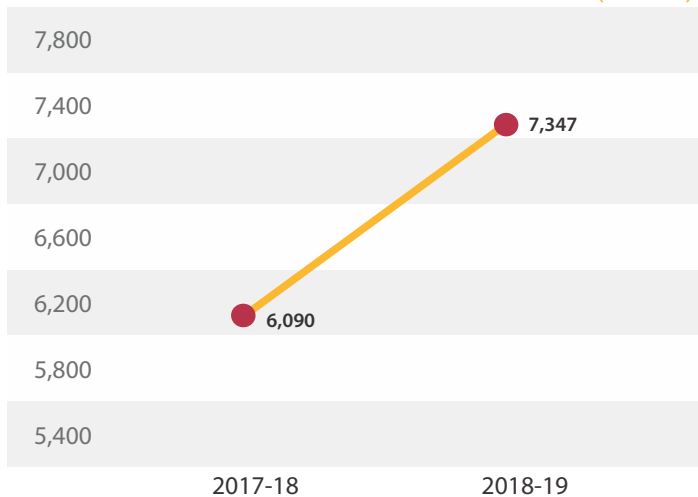
Gross Profit

₹. (in lakhs)



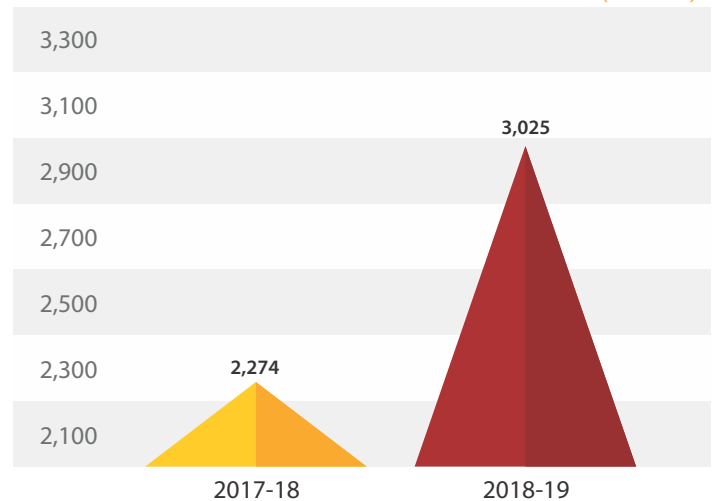
EBITDA

₹. (in lakhs)



PAT (inc. comprehensive income)

₹. (in lakhs)





FOUR YEARS REVIEW OF FINANCIALS

₹. (in lakhs)

S.No	Year Ended 31st March	2018-19	2017-18	2016-17	2015-16
1	Sales	144,335	137,929	129,946	127,172
2	Other Income	287	155	113	276
3	Cost of materials	130,288	125,111	119,052	118,148
4	Salaries, Wages and Bonus	3,538	3,197	2,628	2,427
5	Other Expenses	3,450	3,686	3,422	2,274
6	Interest and financial expenses	2,034	1,879	2,084	2,364
7	Depreciation	759	817	943	815
8	Tax expenses	1,528	1,106	533	366
9	Profit/(Loss) after Tax	3,026	2,287	1,397	1,053
10	Other comprehensive income (Net)	(1)	(13)	(2)	-
11	Total comprehensive income for the year	3,025	2,274	1,395	1,053
12	Non Current Assets - Net Block	7,213	7,507	7,306	7,884
13	Deferred Tax Assets	-	-	547	1,079
14	Long Term Loans and Advances	1,110	1,018	1,087	978
15	Current Assets	56,926	52,535	34,726	30,000
16	TOTAL ASSETS	65,249	61,060	43,666	39,941
17	Share Capital	1,372	1,372	1,372	1,372
18	Other Equity	17,947	15,501	13,562	12,332
19	Long Term Borrowings	3,831	3,062	3,556	5,754
20	Deferred Tax Liability ¹	107	159	-	-
21	Current Liabilities	41,992	40,966	25,176	20,483
22	TOTAL EQUITY & LIABILITIES	65,249	61,060	43,666	39,941

**KEY FINANCIAL HIGHLIGHTS - PERFORMANCE AT A GLANCE**

(₹ in lakhs)

Year Ended 31st March	2018-19	2017-18	2016-17	2015-16
Sales and Income (₹ in lakhs)	144,622	138,085	130,059	127,448
EBIDTA Profits (₹ in lakhs)	7,347	6,090	4,958	4,599
Profit before tax (₹ in lakhs)	4,554	3,394	1,930	1,420
Profit after tax (₹ in lakhs)	3,025	2,274	1,395	1,053
Net worth Adjusted (₹ in lakhs)	19,319	16,873	14,934	13,704
Equity Capital (₹ in lakhs)	1,372	1,372	1,372	1,372
Book value per share (₹)	141	123	109	100
Dividend Paid (Incl. DDT) (₹ in lakhs)	579	335	165	165
Total outside Liabilities Adjusted (₹ in lakhs)	40,618	40,840	26,711	25,463
No of Branches in Lease Property	30	27	26	26
No of branches in Own Property	5	5	5	5

SOURCE AND UTILISATION OF FUNDS

(₹ in lakhs)

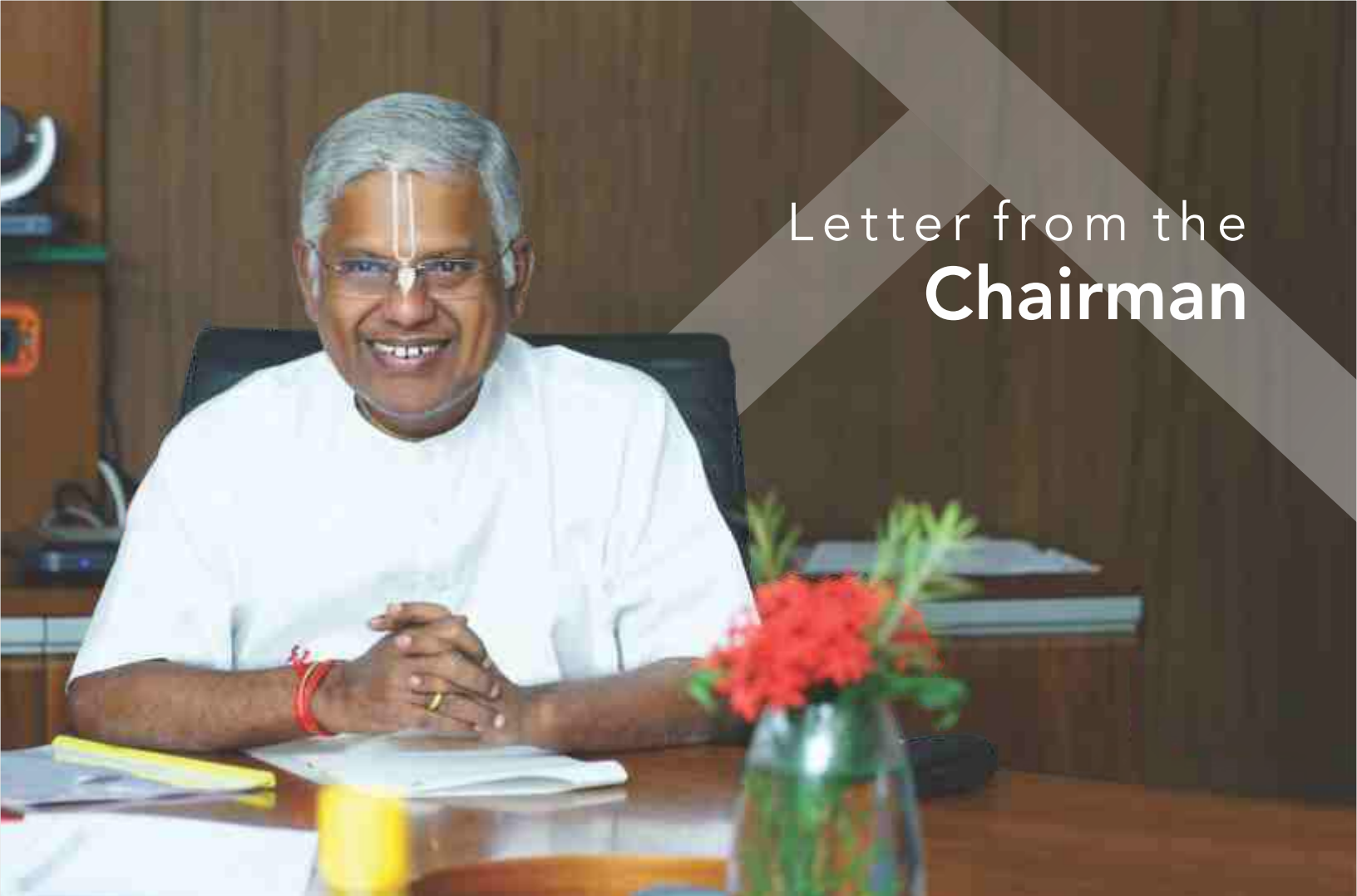
S.No	Year ended 31st March	2018-19	2017-18	2016-17	2015-16
Source of Funds					
1	Funds Generated from operation				
	(a) Profit after Taxes (net profit before tax minus tax outflow)	3,622	2,742	1,320	1,412
	(b) Depreciation	759	817	943	815
	(c) Other Income and Adjustments	8	46	14	-10
	Total	4,389	3,604	2,277	2,217
2	Net Increase in Borrowings	-	9,592	-	-
3	Net Decrease in Working Capital #	293	-	1,583	2,335
	Total	4,682	13,196	3,860	4,552
Utilisation of Funds					
4	Capital Expenditure	473	1,063	380	482
5	Dividends pay out including DDT	579	335	165	165
6	Net Increase in Working Capital #	-	11,798	-	-
7	Net Decrease in Borrowings	3,630	-	3,315	3,905
	Total	4,682	13,196	3,860	4,552

inventories, Trade Receivable and Short Term Loans and Advances and other Current Assets less Trade payables and Provisions.



S.No	Financial Ratios	2018-19	2017-18	2016-17	2015-16
1	Operating Profit Margin (in %)	9.73	9.29	8.38	7.10
2	EBITDA / Turnover (in %)	5.08	4.41	3.81	3.61
3	PBT/ Turnover (in %)	3.15	2.46	1.48	1.11
4	Return on Avg Capital Employed	10.43	10.07	9.60	9.28
5	Return on Equity	15.66	13.48	9.34	7.69
6	Net Debt to Equity	2.10	2.42	1.79	1.86
7	Current Ratio	1.36	1.28	1.38	1.46
8	Net Worth Per Share	140.81	122.98	108.85	99.88
9	Earning Per Share	22.05	16.58	10.17	7.68
10	P/E Ratio (based 31st March quote)	15.10	29.44	22.77	25.40

1	Operating Profit Margin	Gross profit / Turn over
2	EBITDA / Turnover	Earnings Before Interest ,Depreciation, Tax and Amortisation/ Turn over
	EBITDA	PAT + Taxes +Depreciation+ Interest and Finance Charges
	Turnover	Sales and Other Operating Income
3	PBT/ Turnover	Profit Before Tax / Turnover
4	Return on Avg Capital Employed	EBIT/ Avg. Capital Employed
	EBIT	PAT + Taxes + Interest and Finance Charges
	Capital Employed	Total Funds Employed - Non Current Assets(Misc. Expenses not written off)
5	Return on Equity	PAT/ Equity
	Equity	Equity Share Capital + Reserve and Surplus Miscellaneous Expenses not written off
6	Net Debt to Equity	Net Debt/ Equity
	Net Debt	Secured Loan+Unsecured Loan- Cash & Bank Balance
7	Current Ratio	Current Assets/ Current Liabilities
8	Net Worth per share	Net Worth/ Number of Equity Shares
9	Earning Per Share	Profit t attributable to Ordinary Shareholders/number of ordinary shares.
10	P/E Ratio	Market Price/Earnings per share (Basic)



Letter from the Chairman

Dear Shareholders

It gives me great pleasure to place before you, the financial statements for the year ended 31st March 2019. Your Company could do a turnover of ₹ 1443 Crs as against ₹ 1379 Crs in previous year and made an EBITDA profits of ₹ 7,347 lakhs as against ₹ 6,090 lakhs in previous year. The topline moderate growth of 5% is mainly due to monsoon failure in Southern parts of Tamil Nadu and also due to sudden escalation in Gold price upto 15% witnessed in the later part of the financial year. However, in spite of modest growth in topline, your company could achieve 21% of incremental growth in EBITDA profits in the financial year 18-19. The incremental profit was achievable due to better price realisation and also significant contribution from Diamond & Silver Jewellery segments.

Going forward the current year 19-20 looks promising for the following reasons:

- a) Improvements in price realisation for all products across the board.
- b) The medium sized retails outlets started to contribute better results due to initial breakthrough witnessed due to polarization aspect;
- c) The positive changes taken place in the product-mix of the portfolio particularly of Diamond, Silver and Silver jewellery items would ensure better results.
- d) Monsoon may turn out to be better after repeated failures in the last four years as the agriculture based areas depend on good and timely rainfall for improving gold demand.
- e) Likely flow of benefits to organized sector post GST & its strict implementation.



Apart from the macro aspect benefiting the company, your company has embarked on certain initiatives to improve the operational efficiency on all parameters in an on-going manner like,

- a) Re-launching of all the remaining retail outlets one by one
- b) Optimization of scale in procurement and manufacturing.
- c) A paradigm shift in allocation of promotional and publicity expenses by extending loyalty discounts to customers directly instead of spending through various advertisement agencies & media forums.
- d) Encouraging staff to promote sales by revitalising the existing incentive system.
- e) Opening up of small retail outlets to cater to the silver items & jewellery along with small gold ornament items with a low working capital outlay in and around brand established small towns to optimize the brand loyalty built in over two decades now.

Pursuant to our core objective of improving the gross profit margin for the year ended 31st March 2019, your company obtained a gross profit margin of 9.73% as against 9.29% in the previous years. With a view to improve further the gross margin, we are realigning our product mix in such a way to generate improved profits. Barring unforeseen circumstances, your company is confident of improving the gross profit margin for the given product-mix more than that of the year under report.

The other aspects of bandwidth improvement, strategic positioning, improved product mix disposition, "TMJL Plus" penetration in a phased manner taking forward the aggressive working capital management are progressing well. The concerted efforts to improve the overall bottom line growth becomes the priority for your company with a view to optimize return on capital employed in the years to come.

As things stand today, in spite of certain structural adverse issues faced by your company leading to slower top line growth, your company is confident of maintaining the bottom line growth for the reasons stated above in the years to come as well. The financial stability in the context of aversion by bankers to fund the industry your company is making use of all opportunities to raise working capital funds on a cost effective manner.

Taking into consideration our improved financial performance for the year 2018-19 your Board has recommended for a dividend payment of 50% (₹ 5/- per share for face value of ₹ 10/- each) for your approval as against 35% (₹ 3.50/- per share) of last year.

Before I conclude, I would like to place on record my heart ful gratitude to all our employees. Thanks to our bankers under multiple banking system and to all our beloved shareholders who have extended their continued trust and support through informed feedback and advice.

Looking forward for yet another promising year 2019-20

With warm regards,

For **Thangamayil Jewellery Limited,**

BALARAMA GOVINDA DAS

Chairman Cum Managing Director

Place : Madurai

Date : May 22, 2019



Desk of Joint Managing Director



Shareholders are often interested to get a feel on the ground realities of the Jewellery business. We have compiled a Q&A format to cover the essential covenants that contribute to the conduct and future of the business.

1) Why the Top Line growth is more or less stagnant in the last four years in spite of Indian GDP had grown by 7 to 8% in these years?

The price of gold had gone up substantially from ₹ 1,600 to ₹ 3,200 per gram that necessitated the volume growth decline in a phased manner. Moreover, a structural change is taking place in the consumer discretionary spending from gold ornaments to Two-wheelers and mobile phones. A clear shift has taken place in the savings habit of rural masses to exorbitant spending to serve the aspirations of the younger generations. A lot of leveraged spending avenues are in place that compels people to avoid gold in preference to other items.

In a 2 to 3% growth industry coupled with a lot of competition among participants also restricted the volume growth. Continued monsoon failures in the places we operate predominately also affected the demand for the jewellery.

2) It was expected that post implementation of GST, polarization impact will be felt in the organized sector of Jewellery businesses. Is it happening?

In a small way YES, certainly not to the extent of expectations & speed. The GST @3% and custom duty @10% aggregating to 13% being the price difference between the organized and most of unorganized. Imports of gold ornaments by ethnic population from in other countries do create a greater gap in the ultimate pricing. Unless all people get gold at the same price, it would be a slow pace before any real time benefits accrue to the organized sector by GST.

3) If so, how the Gross Profit Margin is improving?

It is a fact that the gross profit margin improves year after year. It is because of changed product mix in turnover with a better pricing power for certain products including Diamond items. Therefore, it is likely that the gross profit margin would improve in the years to come on the changed product mix profile of the company.



4) We understand that some of the major retailers who have a large retail format, the business is shrinking at the national level. How do you protect your Company from the adverse impact of huge expansion on large scale

Our branch expansion model is limited to smaller towns within the areas where the TMJL brand is familiar and a household name. This strategy helps us to synergise our efforts in all fronts so that almost all our branches are operating above BEP level. We do not have any plan to enlarge our commitments on larger formats at different far-off places. We place our medium sized stores as a cluster within a 30 KM radius so that the benefits of logistics and preferences of the same ethnic people are optimized.

5) The domestic consumption is reducing year after year. This fact is supported by dwindling impact of gold into the country. In this backdrop, how do you plan to improve your Top Line Growth in the future?

It is true that the market size in volume terms is shrinking. At the same time, the size of the market itself is so big that would ensure cutting into someone's sales over a period of time on better penetration. The country is evolving as a \$ 5 trillion economy by 2024 that would sustain the natural growth in discretionary consumption spending including jewellery business. Stricter implementation of rules and regulations in GST & Income Tax will go a long way in significantly improving the organized sector sales in the years to come. A gradual shift in the preferences of people in favour of the organised sector will ensure better trend in sales growth.

6) How do you manage the frequent price fluctuations in the gold price?

By hedging the gold price and streamlining the procurement plan based on past history of sales with the help of analytics. The Company has made it a policy to hedge upto 75% of its stock with Metal Loan facility and the balance 25% is left as un-hedged to arrange margin money requirements in the event of sudden price movement so that the Company would not default in its margin requirements. The Quality of income will be sustainable based on operational efficiency instead of commodity price increase with a favourable impact on bottom line.

7) What is the level of Human Resources Attrition in the industry and for the Company?

For the industry it is around 18% in the organized sector level. For the Company, it is around 12% that for in the entry level new recruits. The lower attrition level is on account of better emoluments and positioning of the employees together with incentive based variable salary pay out based on measurable performance. The nativity factor is also one of the key reasons for lower attrition. It would remain low as the employees take up near proprietary interest in the Company by maintaining cordial relationship with co-employees & Customers. What is pertinent to note is that a sense of belonging with the Company by the workforce.

8) While the Company's Top Line is almost stagnant within a band of ₹ 1250 Crs to ₹ 1450 Crs how come Bottom line is consistently improving at a considerable level?

Among many reasons, the product mix composition is a significant one and it has improved. As against negligible turnover of Diamond items, the Company could do a turnover of ₹ 2,277 lakhs in 18-19. Similarly in Silver Jewellery (Rate items) from almost NIL, we could do a turnover of ₹ 1,279 lakhs in 18-19. Both these items are having larger margins and therefore the bottom line is improving. Moreover our cost of funds has come down from 10% to 7% in 18-19 and the pace of escalation in other expenses is not commensurate to the level of activity. All put together, the Company could achieve a 9.73% gross profit margin as against 9.29% in 17-18. We hope that the trend will continue in future also, as the base level of these remunerative products is very low currently.

9) How do you fund the New Retail format?

As you know, the major fund requirement is that of working capital only. We normally select a rental premises and apart from reasonable show room CAPEX and rental advance payable, we do not envisage any major long term application of funds. Currently, we are funding this CAPEX requirement out of our internal accruals only. However for a medium



sized Retail outlet we may require an initial working capital requirement of ₹ 20 Crores per store. We will avail a metal loan facility with 3% interest PA upto ₹ 10 Crores and the balance will be equally divided between customer advance and Company contribution. The real interest outflow will be around ₹ 30 lakhs per annum only on a 50KG store format.

10) How long can you sustain this kind of investment?

As per the current reckoning, we may go upto additional 25 branches by implementation of this strategy without straining the system out of existing / future cash earnings in the next 30-42 months. However, the selection of branches and its requirement is subject to their respective economic & financial viability only.

11) Are you affected by the unregulated Deposits Act? If so how?

No. We are governed by Ministry of Company affairs as regards to acceptance of Public Deposits upto certain mandatory limits based on Net Worth of the Company. As regards accepting advances from general public, even though, there is no limit fixed by any Acts, we are exempt from the operations of the Act as we take money to be discharged with sale of the gold ornaments within 360 days of acceptance of such advances. This will not come under the scope of Deposits as it is taken for genuine business transactions as defined by the Act.

12) We find from the financials of the Company that the Stock Turnover Ratio got reduced in last year when compared with earlier years? Why so?

It is true. When the gold prices were lower, we could get better rotations with a lesser GP Margins. Now that a lot of organized players with larger formats have emerged, the choice to the customer's ranges also increased in the same variety. Unless we stock well, we may even miss the sales also. Therefore in consonance with the market requirements, we have to stock more to get the same turnover but the profit margins have improved. Therefore, for the reasons stated above our stock rotation ratio is reduced. However, with the help of Technology we are able to identify minutely the Inventory requirement & its replacement strategy on real-time basis. We hope that in the years to come our stock turnover ratio will improve considerably in the given business environment.

13) What are all your differentiators in the business?

We have increased our market share in the areas we currently operate. We have also developed a Product Mix strategy that would support our growth. For the size of our Company, our committed customer base is formidable. This will go a long way in improving our TOP Line growth over a period of time. The technology absorption in our company is so fast and its beneficial results would improve in near future. We are a great aggregator of products and no other local area competitor could generate this kind of mass product ranges. Our funding strategy by and large is unique in the industry and we are immensely benefited by that financial leverage plan. On the whole, all these factors would help us to perform better than the industry's average in the long run.

14) How do you get trained staff in remote place of operations?

We recruit people locally. The nativity factor will help them to join our company. We have got best training practices. A minimum required educational qualification is fixed to the new front office recruits. Their take home pay level inclusive of variable incentives payment is quite good. Therefore, we do not find it difficult to induct, train & support the staff members. However, we do find a larger attrition at the entry level employees but location & training the new comes may not be a problem in future.

15) At stagnant volume off take how do you aspire for the incremental revenue?

Customers are prepared to spend some money in Jewellery. Depending on the price, quantity involved will go up or reduce. However, value wise it would marginally increase only. This assumption is validated by the increase in number of bills made year after year. The customer base is improving. As our product-mix ranges also are enlarging, the customer base improvement also helps us in improving the sales of our products as well.

16) For likely increase in sales growth, how confident you are in strengthening the manufacturing outfits?

We do have more than adequate making of jewellery facilities. Depending on the growth in sales we can always extend the facilities by recruitment of contract workers.

17) We understand that getting working capital funds from banks for jewellery industry would be difficult in the backdrop of certain big bank defaults?

Yes, of course, banks are withdrawing working capital facility in a phased manner to their jewellery customers. In our case, we do not find it difficult to access leveraged debit. We divide our fund requirements into three parts equally among own sources, customer funding and bank loans. Normally, we do not get into any long term leveraged funds for CAPEX plans. Our dependence on a single bank also will not be more than 10% of our gross working capital funds in rotation. As long as metal loan facility is available and the end use is ascertained banks may not be all that like adverse for our company. Our credit rating year after year also improves that ensures a cordial and supportive relationship with our bankers.

18) What is your distribution policy going forward?

We have already indicated in one of our earlier Annual reports about the policy on profit distribution. We do not have currently any major capex other than tax pay out. We are fully providing for income tax pay out commitments. We do believe that some portion of risk capital is required to be retained in the system. We commit to distribute pay out to shareholders inclusive of Dividend Distribution Tax around 25% to 30% on profit.

With warm regards,

Ba. Ramesh

Joint Managing Director



**TO THE MEMBERS OF THANGAMAYIL JEWELLERY LIMITED**

The Directors are pleased to present the 19th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2019:

FINANCIAL RESULTS	(₹ in lakhs)		
	Particulars	2018-2019	2017-2018
	Sales	1,44,335	1,37,929
	Gross Profit	14,047	12,818
	Earnings before Interest, Depreciation and Taxation (EBITDA)	7,347	6,090
	Finance Cost	2,034	1,879
	Depreciation	759	817
	Profit Before Tax (PBT)	4,554	3,394
	Tax	1,528	1,106
	Profit After Tax (PAT)	3,026	2,287
	Other comprehensive income	(1)	(13)
	Total comprehensive income for the year, net of tax	3,025	2,274

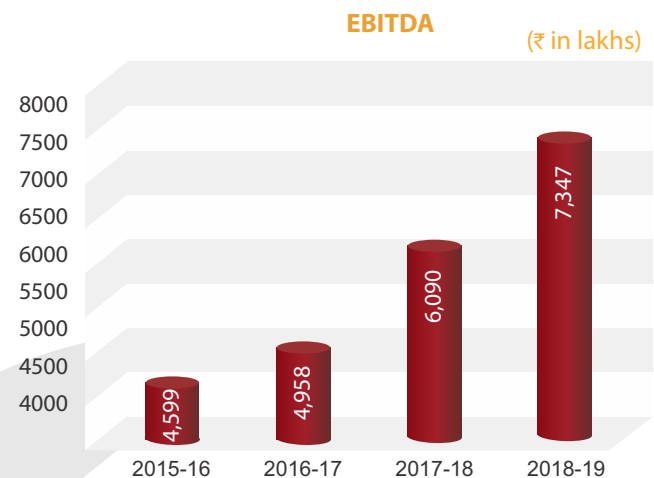
On a turnover of ₹ 1,44,335 lakhs for the year, the company made an operating profits of ₹ 14,047 lakhs as against ₹ 12,818 lakhs made in last year. It represents 10% increase over the last year.

In spite of slower growth, the better results in top line are due to better gold price realisation and also due to better product mix that significantly increased the operating profits. The contribution from Diamond and silver jewellery, though on a low base is noteworthy. The proportionate increase in EBITDA margin Vs Turnover is brought out for last four years as under:

Year	Turn over (₹ in lakhs)	EBITDA (₹ in lakhs)	EBITDA (in %)
2018-19	144,335	7,347	5.09%
2017-18	137,929	6,090	4.41%
2016-17	129,946	4,958	3.81%
2015-16	127,172	4,599	3.61%

You may notice that our topline growth remained in a narrow band due to structural issues faced by the industry. The proactive managerial initiatives taken collectively over a four years period have resulted in a CAGR (Compounded Annual Growth Rate) 4% only. However, in the areas of value addition the company made a gross profit of 28% CAGR in the last 5 years.

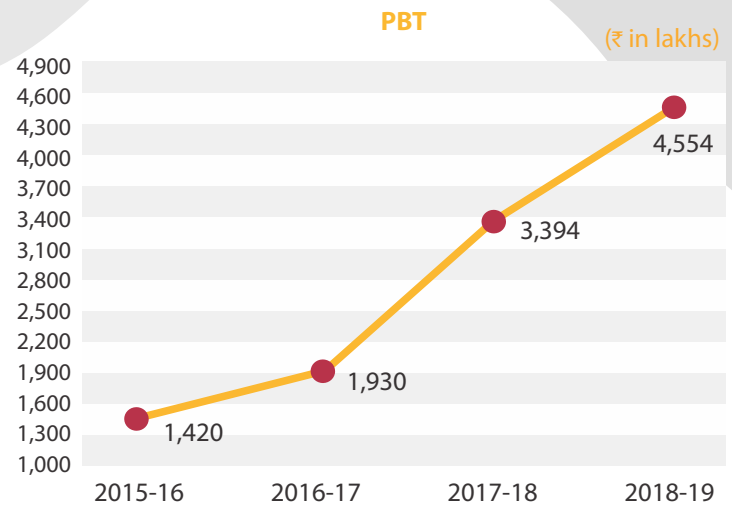
In a highly unorganized industry afflicted by structural adversaries the only way to improve the bottom line is to take initiatives in the areas of cost management, product mix, effective use of funds, encashing the customer loyalty and so on. The company, in this background, has taken conscious decision of not to expand retail outlets in haste and constructively played on the brand loyalty created over the last two decades of operations that





has helped to sustain the profit growth witnessed over a period of time. This was also made possible due to moderate enlargement of inventory size and varieties in the existing show rooms.

The new products like Diamond & silver jewellery along with the existing silver articles incrementally contributed to better return on the working capital investment. The area of concern for growth remains with the gold ornaments. In recognition of this fact, your management has taken certain operational initiatives to improve the ROI on gold inventory in the days to come. Going forward, we may have to improve the stock rotation aspect in the given pricing model either by contracting the size of the Balance sheet or by profitability exploring avenues to build up outlets to increase the turnover.



1) The major reasons for better bottom line performance are summarized hereunder;

- ❖ Better gold price realisation in the major part of the financial year
- ❖ Cost effective procurement & production of ornaments
- ❖ Better utilisation of working capital facilities
- ❖ Significant improvement noticed in Diamond contribution to profits
- ❖ Sizable increase in profits noticed in the new product range of silver jewellery and gift items
- ❖ A distinct advantage is noticed in the offtake; improvement is on account of extension of discount to customers themselves instead of major spending on advertisement & publicity.

The financial results are encouraging. We hope that it is sustainable and scalable in the years to come. The bottom line growth is structural and results out of initiatives taken on product mix composition changes, particularly of diamond & silver jewellery articles. The momentum gained in these two verticals is expected to grow as years go by. A bit slowdown in traditional products is compensated by the new generation products.

Progress in retail outlets expansion

During the year, we commenced operations in three retail outlets in addition to the existing 32 branches. The civil work in our own property in Trichy is progressing well. It is likely that we may commence operations by December 2019. Apart from the existing 35 branches, we have opened in the current year two more branches (namely Devakottai and Usilampatti) and in three more branches work is progressing and likely to be in operation in the second quarter 19-20.

With this plan, we may operate in 45 outlets in the State of Tamilnadu by 31st March 2020.

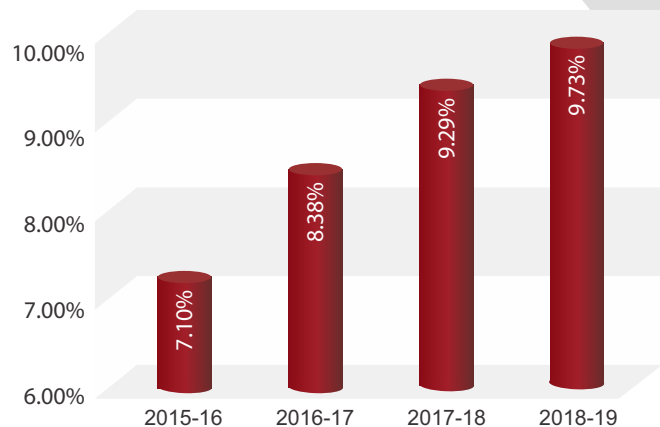
2) Key strategies adopted by the management

- ❖ Widening the product mix by induction of niche products
- ❖ Broad base of retail outlet penetration with a view to optimize the brand loyalty built in
- ❖ Synergy optimization initiatives by aligning with the market expectations of product ranges, etc.
- ❖ Constantly improving the working capital management
- ❖ Fuller utilization of Customer Relationship Management (CRM) planning & schemes



- ❖ Eliminating dealer driven supply chain and intensive penetration to manufacturers base to continuously explore the opportunities to reduce the cost of making charges.
- ❖ Employee's compensation package is linked to performance by way of "step up" incentive plan instead of fixation of salary with periodical increments that is not attributable to performance of employees.
- ❖ The commitments of carrying with the strategy of "Right product for Right market place" that resulted in bottom line improvement.

Gross Profit Margin



3) DIVIDEND

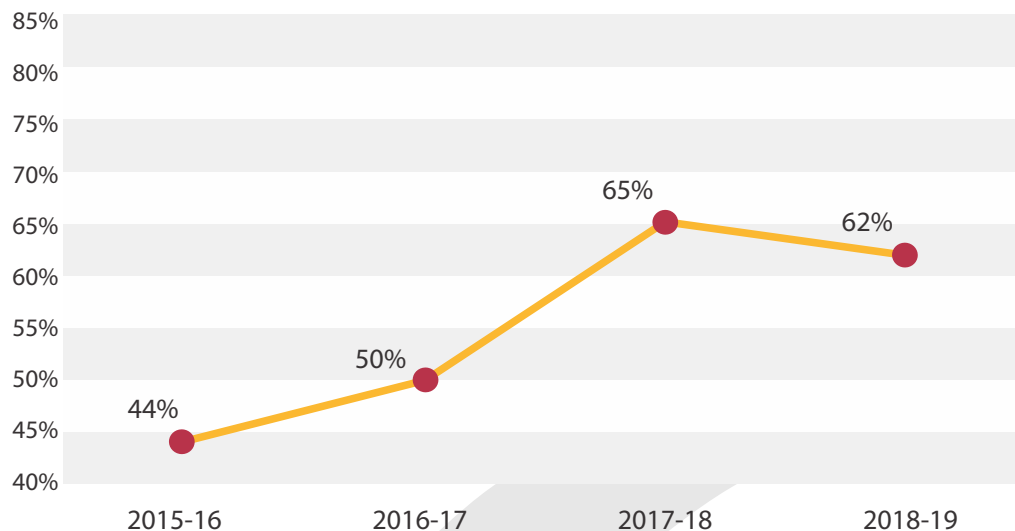
The Board of Directors of the Company are pleased to recommend a dividend of ₹ 5.00 /- (50%) per equity share for 2018-19(₹ 3.5 in 2017-18) on 1,37,19,582 equity shares of ₹ 10 each. The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting of the company will result in cash outflow of ₹ 827 lakhs including Dividend Distribution tax thereon.

4) HEDGING

The company has got a well-defined operative "Hedging" mechanism in place. The company availed more loan under "metal loan" category of finance from banks at concessional rate of interest besides ensuring a natural hedge on such procurement. It is 62% as against the internal set target of 75:25. The reduction as compared to last year of 65% of stock holding is due to close of metal loan etc in late march 2019. Though we couldn't make any inventory profit in a rising gold price situation it is also equally true that an exceptional non operative inventory loss need not be incurred in a falling price situation. Based on our experience and the current gold price movement trend we are of the opinion that the ratio at the most can go upto 75:25 in the overall operational interest of the company.

GOLD METAL HEDGED IN INVENTORY HOLDING CHART

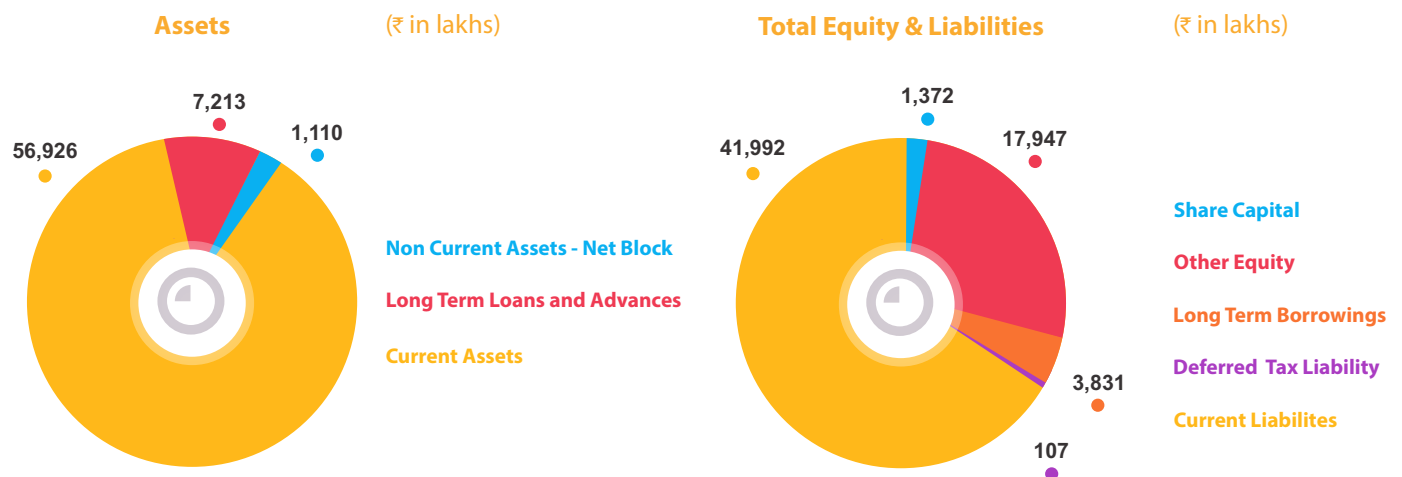
Gold Metal Hedging In Inventory Holding





5) CONTINUING CHALLENGES

- ❖ Failures of gold business companies to meet their liabilities in the recent past makes the industry to suffer for credit entitlements from banks;
- ❖ Extraordinary regulatory conditions administered in the industry by various Government Agencies on a continuous basis affect the business sentiments.
- ❖ Even though legally permissible and governed by authorised regulatory bodies, the non-clarity of acceptance of advances from customers continues to be a point of contention among the industrial players.
- ❖ The structural issues like competing demand for purchase of Mobiles, Automobiles, & other discretionary new generation products penetration often affects the off take of gold ornaments.
- ❖ The cyclical impact of higher gold price, failure of monsoon and dominance of unorganised players continuously affecting the growth of the industry.
- ❖ In spite of introduction of GST in general non adoption by small players due to their resultant price advantage often culminates in stagnation of top line growth in the organized sector.
- ❖ The likely delay in polarization benefits due to lack of strict implementation of rules & regulations also affect the growth in organised sector.
- ❖ Due to reduced margin of safety, the industry is not in a position to absorb the natural inflation reflected in the areas of minimum wages, transport logistic and compliances co



6) FUTURE PROSPECT

- ❖ The changes expected in the product – mix portfolio of the company augers well in the long run to improve the profits.
- ❖ It is expected that the polarisation positive impact on the organized sector is likely to be visible operationally within a couple of years that would go a long way in improving the margin and turnover.
- ❖ The various initiatives taken by the company in formulating strategies & implementation on all sphere of business activities will result in a sustainable profit growth over a period of time.



- ❖ The expanding operative margin, better expected stock rotation, likely improvements in “same store sales” growth, reduction in per gram “cost of sale” of gold ornaments will go a long way in sustaining the top line growth while improving the profitability of the company in the years to come.
- ❖ Barring unforeseen circumstances, the current year (19-20) that started well would see a moderate growth in performance on all fronts.

Key performance indicators to look at for future;

- ❖ Increase in same store sales by bringing almost major outlets with improved sales in 19-20.
- ❖ Diamond sales in value have gone up and will continue to do better.
- ❖ Operating profit margin improved by 44 bps due to better product-mix realization. It may further improve based on current product mix composition.
- ❖ Net profit before tax also improved by 70 bps due to better cost management and better realisation, that would continue in future as well.

Your Company will focus for further improvement on these factors to improve the overall profitability in future.

7) DEFERRED TAX LIABILITIES

The company as per Ind AS requirement has created deferred tax liability ₹ 107 lakhs as against ₹ 159 lakhs of previous year. The entire deferred tax asset was fully absorbed in the last year itself.

8) CONTRIBUTION TO EXCHEQUER

The Company is a regular payer of taxes and other duties to the Government. The Company has paid GST of ₹ 4,286 lakhs as compared to ₹ 3,396 lakhs paid in the previous year and The Income tax and tax on Dividend Distribution amounts to ₹ 1,025 lakhs was paid as against ₹ 794 lakhs for financial year 2017-18.

9) CAPITAL EXPENDITURE

During the year, we capitalized ₹ 466 Lakhs to our gross block comprising of ₹ 369 lakhs for Plant & Machinery and Furniture & Fittings and other assets and balance of ₹ 97 lakhs for Computer Equipments including Software.

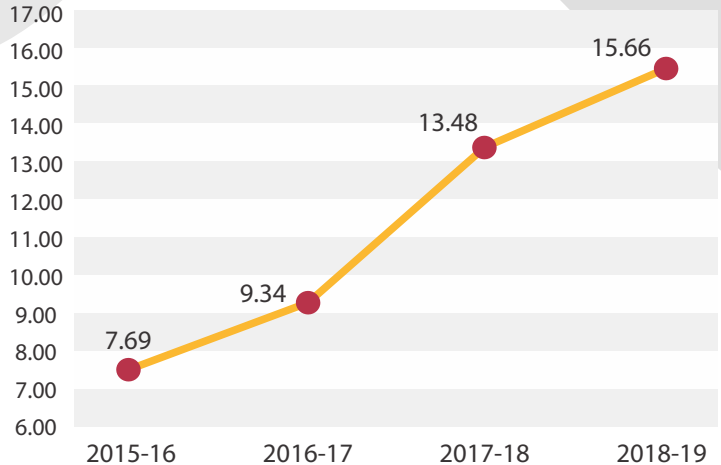
The capital work in progress amount outstanding as on 31st March 2019 is ₹ 119 lakhs. This comprises of interiors and other assets still to be put in use and are yet to be capitalised.

For the previous year, we capitalized ₹ 1,058 lakhs to our gross block comprising ₹ 475 lakhs for Plant & Machinery and Furniture & Fittings and others and the balance of ₹ 583 lakhs for Computer Equipments including Software.

10) FINANCE

For the required working capital for the current year based on the estimates, the company is fully supported by various sources of finance.

Return On Equity in %





The secured working capital outstanding borrowing of the company as at 31st March 2019 stood at ₹ 18,156 lakhs as against ₹ 20,896 lakhs of the previous year. The aggregate working capital facilities from member's bankers are at ₹ 25,900 lakhs. The company is not having any term liability with bankers.

The eligible fixed deposits limit from public & shareholders is ₹ 5,905 lakhs. However, the company took only ₹ 4,780 lakhs as at 31st March 2019. Besides, the promoter's unsecured loan of ₹ 1,240 lakhs at 6% interest continued to be in the company to support its long term fund requirements. In all, the liquidity position is quite good and comfortable. Interest outgoes have increased - marginally. The per gram interest payment on sales works out to ₹ 50 as against ₹ 45 of previous year.

11) DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

12) DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

- ❖ In the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departure.
- ❖ 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 at the end of the financial year and of the profit and loss of the company for the year;
- ❖ The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- ❖ The directors have prepared the annual accounts on a 'going concern' basis;
- ❖ The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company 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; and
- ❖ The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13) MANUFACTURING FACILITIES

Utilisation of own manufacturing facilities including on job work basis is around 92% as against 90% of the earlier years. The overall cost of production has come down due to attainment of scale of economics in the manufacturing facilities. It is expected to improve the own manufacturing capacity utilisation in forthcoming years. On a need basis, at short notice, handmade items capacity could be enlarged.

14) DEPOSITORY SYSTEM

The trading in the Equity Shares of your Company is under compulsory dematerialization mode. As on March 31, 2019, Equity Shares representing 100% of the equity share capital are in dematerialized form. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialization of the Company's shares.



15) CORPORATE GOVERNANCE

Your Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance and a certificate from the statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 27 of SEBI (LODR) 2015 of the Listing Agreement(s) with the Stock Exchange(s) forms part of this report.

The Chairman and Managing Director and Joint Managing Directors of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17 (8) of SEBI (LODR) 2015 of the listing agreement pertaining to CEO certification for the financial year ended 31st March 2019.

1) Large corporate entity :

SEBI vide their notification SEBI /HO/DDHS/CIR/2018/144 dated: 26.11.2018 have made mandatory to all listed entities the initial disclosure with regard to outstanding of long term borrowings of ₹ 100 crores and above in the specified format given by them with effect from 01.04.2019. The respective stock exchanges intimated us to give a declaration in case we are not coming under large corporate as per the circular. Accordingly we have confirmed through our declaration that we are not coming under large corporate entity as there is no such long term borrowings of ₹ 100 crores as on the date during the financial year ended 31.03.2019.

2) Independent Women Director :

In terms of R.17 of amended SEBI (LODR) Regulations, 2018 the Board of Directors of the company of top 500 listed entities shall have atleast one independent women director by 1st April 2019. As we do not come under this category the same is not applicable to us immediately.

So also U/R 17, in the case of top of 1000 listed entities. The Board shall comprise of not less than six (6) Independent Directors with effect from 1st April 2019 and since the company attracts the provisions, the Board of the company has initiated appropriate steps towards this and shall make arrangements to appoint another two Independent Directors to meet the criteria at the earliest.

- ❖ U/R 17, with regard to Non-Executive chair person of the Board since we do not come under the top 500 listed entities the same is not applicable to us right now.
- ❖ U/R 25(10), with regard to Directors and officers Insurance for all Independent Directors with effect from 1st October 2018 as we do not fall under the category of top 500 listed entities the same is not applicable to us at present.
- ❖ U/R 34(3), Vide SBEI (LODR) amendment regulation 2018 the company has obtained a certificate from a practicing company secretary with regard to Non-Disqualification certificate and the same has been attached along with Corporate Governance report of the Annual Report as required.

16) MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report of financial position and results of operations of the Company for the year under review as required under Regulation 17 (7) of SEBI (LODR) 2015 of the Listing Agreement with the Stock Exchanges, is given as a separate statement forming part of this Annual Report.

17) LISTING OF SHARES

The Equity Shares of your Company continue to remain listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The listing fees for the year 2019-20 have been paid to these Stock Exchanges. The Shares of the companies are compulsorily tradable in dematerialized form.

18) INSURANCE

The assets of the Company are adequately insured against fire and such other risks, as are considered necessary by the Management.

**19) HUMAN RESOURCE DEVELOPMENT**

Many initiatives have been taken to support business through organizational efficiency, development, resourcing, performance & compensation management, competency based development, career & succession planning and organization building. Leadership development is one of the primary key initiatives of the Company. Primary personal development program has been taken up as long term strategy of the Company. A significant effort has also been undertaken to develop leadership as well as administrative / functional capabilities in order to meet future talent requirement.

The Company continues to maintain cordial relations without any interruption in work. As on 31st March 2019, the Company has 1,361 employees on its rolls as against 1434 employees in the previous year.

20) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provision of Section 197(12) of Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report.

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure -1.

Having regard to the provision of the first provision to Section 136(1) of the Act and as advised, the Annual Report, excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the corporate office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their main addresses and is available on the Company's website.

21) STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & under regulation 21 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the company has adopted risk management policies to monitor the business.

Business Risk Evaluation and Management (BRM) is an on-going process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management**Committee broadly reviews:**

- ❖ Overseeing of risk management performed by the executive management;
- ❖ The BRM policy and framework formulated in line with local legal requirements and SEBI guidelines;
- ❖ Risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- ❖ Defining framework for identification, assessment, monitoring, and mitigation and reporting of risks.
- ❖ Within its overall scope as aforesaid, the Company shall review risks trends, exposure, and potential impact analysis and mitigation plan.

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

INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134 (3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES RULES, 2014.

❖ Conservation of Energy

The disclosure of particulars with respect to conservation of energy pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with rule 8(3) of the companies (accounts) rules, 2014 are not applicable as our business is not specified in the Schedule . However, the company makes its best efforts to conserve energy in a more efficient and effective manner.



❖ Technology Absorption, Adaptation and Innovation

The company has not carried out any specific research and development activities. The company uses indigenous technology for its operations. Accordingly, the information related to technology absorption, adaptation and innovation is reported to be NIL.

❖ Foreign Exchange Outgo

(₹ in lakhs)

Particulars	2018-19	2017-18
Travelling Expenses	8.09	1.14

23) POTENTIAL RISKS , CONCERNS AND MITIGATION PLAN

Risk of loss of Positioning in the market place

Due to competition in the retail trade, there is a possibility that our market share from a particular place of operation or region may decline. A lot of new entrants to the retail trade suffer from lack of knowledge of customer's preference and on quality parameters and price war. Therefore, your company with its fuller penetration to rural market is well placed to participate in the rural success story of the country. In order to maintain/improve market share in the areas we operate in the light of sagging regressive demand trends, we have cautiously brought down the mark up value for our products moderately and also improved customer service through online and offline mode.

Monsoon

Monsoon failure for successive years in southern parts of Tamil Nadu adversely affected the company's business. The purchasing power with rural people who depend on Agriculture substantially got marginalized. This has resulted in demand compression and led to a period of continuous recession unparalleled in the recent history of jewellery trade. Dwindling customer demands and purchase of other electronic goods by the customers have resulted in purchase of ornaments generally coming down in jewellery business. This has resulted in customer opting for light weight items. The company has decided to stock more of such items in order to get better share from sagging market as in the last year.

Change in lifestyle

The disposable income of both middle class and upper middle class and change in life styles of people leads to shifting of consumer base to branded jewellery. Even though this will be a major risk factor for long term growth of the company, the change in people's taste and preferences are ascertained through various sources and accordingly change in our product mix were done by well-equipped team.

Economic risk

Economic slowdown can affect the demand and the sales for the company.

Mitigation

The Company has a diversified product portfolio that generates robust sales from either of the category to balance any uncertain circumstances. The present Indian economy is quite strong as commodity prices and bank lending rates have declined. Since jewellery industry is always associated with wedding and other traditional occasions and demand for jewellery remain constant.

Competition risk

Increasing competition from new entrants as well as existing ones.

Mitigation: The Company manufactures quality products and better services and offers that at a reasonable price to reach people through communications via different media. IT undertakes extensive promotion and advertising to create value , positioning and recall for the power brands.

Margin risk

Lack of control over the cost, may lead to lower profitability and can impact future growth prospects.



The centralised procurement policy, by which our team anticipates stock requirement and make bulk purchases at the time when gold price is low. The economies of scale and correct procurement timing enable the company to significantly reduce the cost of the raw material. The company procures a certain quantum of gold on lease from banks and purchases gold on daily basis on the actual sale made by it. This strategy safeguards the company from gold price fluctuation.

Gold price fluctuation risks

Gold price fluctuation risk could arise on account of frequent changes in gold prices either up or downside momentum. It could have adverse impact on earnings. We are maintaining our inventory price hedging around 62:38 basis. This will help the company with any gold price fluctuation of gold price. Your Board will take appropriate action in managing the fluctuation impact in gold price movement from time to time to increase to 75:25 basis.

Change in Government Policies

New government regulations pertaining to taxation and banking stringent norms will affect the demand and supply chain.

Your company with help of well-experienced IT and managerial personnel, the implications of all these regulations are clearly analysed, interpreted and necessary compliance measures are undertaken.

Human Resources

Employee attrition may affect the operation of the Company.

Mitigation: The Company encourages new talent and provides specialised training to the sales force to ensure the roots are grounded well, improving the performance standards and positively contribute towards growth of the company.

Seasonal Risk

Sluggish sales of products due to seasonal changes may affect profitability of the Company.

Mitigation: The wide ranged designed product profile and customer needs product will help against the season ups and downs.

Compliance risk

Non-compliance of regulations may raise the operation risk for the Company.

Mitigation: The Company has a structured internal control system in place to ensure all statutory rules and regulations are met including changes in taxation and other regulatory framework.

Cost management

The Company is improving meticulously its focus on cost through a resourceful operating system, increase in the production capacity and strengthening of manufacturing units and various sourcing points are being pursued to reduce manufacturing costs and also delivering quality of product at lower price. Logistics facilities are strengthened. Synergy optimization in various cost components is achieved.

24) INTERNAL CONTROL SYSTEMS

The Board of Directors is responsible for ensuring that internal financial controls have been laid down in the Company and that such controls are adequate and is functioning effectively. TMJL has policies, procedures, control frameworks and management systems in place that map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

Internal Financial Controls that encompass the policies, processes and monitoring systems for assessing and mitigating operational, financial and compliance risks and controls over related party transactions, substantially exist. The management reviews and certifies the effectiveness of the internal control mechanism over financial reporting, adherence to the code of conduct and Company's policies for which they are responsible and also the compliance to established procedures relating to financial or commercial transactions, where they have a personal interest or potential conflict of interest, if any.



The Audit Division continuously monitors the efficacy of Internal Financial Controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The audit plan is approved by the Audit Committee, which reviews compliance to the plan.

During the year, the Audit Committee met regularly to review reports submitted by the Audit Division. All significant audit observations and follow-up actions thereon were reported to the Audit Committee.

The Audit Committee also met the Company's Statutory Auditors to ascertain their views on financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company. The Management acted upon the observations and suggestions of the Audit Committee.

25) **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR)**

Based on the financial year ended 31st March 2019 Company required to spend CSR expenses for ₹65.85 lakhs.

With an amount of ₹ 1.92 lakhs unspent in the previous year 18-19, company has spent ₹ 0.90 lakhs towards CSR activities leaving balance of ₹ 1.02 lakh to be spent in the financial year 19-20 along with accrued amount of ₹ 65.85 lakhs thus totalling to ₹ 66.87 lakhs.

S.No	Details	₹ in Lakhs
1	Watering of plants and public water supply	0.25
2	Towards medical camp to poor	0.65
	Total	0.90
	Balance to be carried over to 2019 - 20	1.02

The Company is making further efforts to identify suitable projects under Sch.VII of the Act to spend on CSR as per the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as **"Annexure 2"**.

26) **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans & guarantees given or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

Particulars of contracts or arrangements with related parties referred to in Section 188(1)

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions 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. All Related Party Transactions are placed before the Audit Committee as also in the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The Annual Report on related party is annexed herewith as **"Annexure 3"**.

**27) COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure -4 and is attached to this report.

28) ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available in Company website.

29) NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year Six Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

30) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

31) DEPOSITS

The details of deposits remain unpaid during the year under review are furnished hereunder:

S.No	Particulars	₹ in Lakhs
1	Amount remained unpaid or unclaimed as at the end of the year	1.37
2	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	Nil

32) DIRECTORS

Smt.Yamuna Vasini Deva Dasi Non – executive and Non – Independent Director of the Company retires by rotation and being eligible seeks reappointment. Your Board recommends her re-appointment.

33) DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

The Details of familiarisation programme arranged for independent directors have been disclosed on website of the company and are available at www.thangamayil.com

34) CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website www.thangamayil.com. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

**35) STATUTORY AUDITORS**

The Company's Auditors, M/s. Srinivas & Padmanabhan Chartered Accountants, (Firm reg.No. 004021S), (Chennai) were appointed as the Statutory Auditors of the company at the Annual General Meeting held on July 2017 up to 31st March 2022. The Company has received letter from them to the effect that their appointment, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment. The Auditor's Report to the shareholders for the year under review does not contain any qualification.

36) SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr.s .Muthuraju, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as "Annexure 6".

37) COMMENTS ON AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Srinivas & Padmanabhan, Statutory Auditors, in their report and by Mr. S. Muthuraju, Company Secretary in Practice, in his secretarial audit report.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

38) INTERNAL AUDIT AND CONTROL SYSTEMS

The company has an effective in-house internal audit system. The persons are well trained to cover various areas of verification inspection and system evaluation. All the mandatory compliances required to be followed under various statutes are exhaustively covered in their scope. We have effective and adequate internal audit and control systems, commensurate with our business size. Regular internal audit visits to the operations are undertaken to ensure that high standards of internal controls are maintained at each level. Independence of the audit and compliance function is ensured by the auditors' direct reporting to the Audit Committee. Details on the composition and functions of the Audit Committee can be found in the chapter on Corporate Governance of the Annual Report.

39) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

40) ENHANCING STAKEHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to create value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

41) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as required under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. There were no such complaints received under the policy during the year.

42) DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

Pursuant to the provisions of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well



as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

The Audit Committee consists of the following members

- ❖ Mr.S.Rethinavelu -Chairman
- ❖ Mr.V.R.Muthu -Member
- ❖ Mr.Ba.Ramesh -Member

The above composition of the Audit Committee consists of independent Directors viz., Mr. S.Rethinavelu and Mr.V.R.Muthu who form the majority.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of Company employees and the Company.

43) ANNUAL EVALUATION BY THE BOARD

The evaluation framework for assessing the performance of Directors Comprises of the following key areas:

- ❖ Attendance of Board Meeting and Board Committee Meetings
- ❖ Quality of Contribution to Board deliberations
- ❖ Strategic perspectives or inputs regarding future growth of Company and its performance
- ❖ Providing perspectives and feedback going beyond information provided by the management
- ❖ Commitment to shareholders and other stakeholder interests

The evaluation involves self-evaluation by the Board Members and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluation.

44) PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code. The same has been displayed at the company's website at www.thangamayil.com

45) SHARES

BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

BONUS SHARES

No Bonus Shares were issued during the year under review.

EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.



46) FORWARD-LOOKING STATEMENTS

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include domestic demand and demand and supply conditions affecting selling prices, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

47) ACKNOWLEDGEMENTS

Your directors express their sincere gratitude and appreciation to the employees of the company who have devotedly and steadfastly stood with the company and for the enduring hard work for the betterment of the company.

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on the Company.

BY ORDER OF THE BOARD

For **Thangamayil Jewellery Limited**

Balarama Govinda Das - Managing Director

Ba. Ramesh - Joint Managing Director

N.B.Kumar - Joint Managing Director

Place : Madurai

Date : May 22, 2019





ANNEXURE 1

TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- ❖ The ratio of the remuneration of the each director to the median remuneration of the employees of the company for the financial year.

S.No	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Balarama Govinda Das	46:1
2	Ba. Ramesh	46:1
3	N.B.Kumar	46:1

- ❖ The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year.

S.No	Name of the Director	Percentage Increase in the remuneration
1	Balarama Govinda Das	20%
2	Ba. Ramesh	20%
3	N.B.Kumar	20%
4	CS.V. Vijayaraghavan - Company Secretary	Nil
5	B. Rajeshkanna - Chief Financial Officer	Nil

- ❖ The percentage increase in the median of remuneration of employees in the financial year. - 15%
- ❖ The number of permanent employees on the rolls of Company - 1361
- ❖ The explanation on the relationship between average increase in remuneration and Company Performance - During the year company achieved profit of ₹ 3,025 lakhs as against net profit after tax of ₹ 2,274 lakhs in the previous year. A registered growth of bottom line by 33% as against in which the directors of the Company increased their remuneration by 20%.
- ❖ Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

Name of the Director	Designation	Remuneration of Key Managerial Personnel ₹ in lakhs	Performance of the Company for the year ended 31st March, 2019
Balarama Govinda Das	Managing Director	72.00	During the year company achieved profit of ₹ 3025 lakhs after tax as against net profit after tax of ₹ 2274 lakhs in the previous year.
Ba. Ramesh	Joint Managing Director	72.00	
N.B.Kumar	Joint Managing Director	72.00	
CS.V. Vijayaraghavan	Company Secretary	15.50	
B. Rajeshkanna	Chief Financial Officer	28.80	

- ❖ Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

S.No	Name of the Director	As at 31st March, 2019	As at 31st March, 2018	% performance
1	Market Price in ₹	333.35	488.10	32% decrease
2	Market Capitalization in ₹ lakhs	45,711	66,965	
3	EPS	22.05	16.58	
4	Price Earnings Ratio	15.10	29.44	



Percentage increase over the last public offer price is not relevant and appropriate as there has never been any public offer by the Company in the last Nine years.

- ❖ Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
 - Average increase in the remuneration of all employees excluding KMPs: 15%
 - Average increase in the remuneration of KMPs: 20%
 - Justification: KMP salary increases are decided based on the Company's performance, Individual performance, inflation, prevailing
 - industry trends and benchmarks.
- ❖ Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company.
Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible. Performance of the Company has been quite satisfactory this year.
- ❖ The Key parameters for any variable components of remuneration availed by the directors - Nil
- ❖ The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Nil
- ❖ We affirm that the remuneration is as per the remuneration policy of the Company – Yes

ANNEXURE TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2019

- ❖ Statement u/s.197 (12) of the Companies Act, 2013 read with the Companies (Appointment and remuneration of Managerial Personnel) rules, 2014 and forming part of the Directors report for the year ended 31st March, 2019.
 - Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹ 60.00 lakhs per annum.

Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration ₹ in lakhs	Last Employment
Balarama Govinda Das	03.05.2001	Managing Director	B.Com	62	38	72.00	Promoter Director
Ba.Ramesh	03.05.2001	Jt. Managing Director	SSLC	57	26	72.00	Promoter Director
N.B.Kumar	03.05.2001	Jt. Managing Director	SSLC	51	20	72.00	Promoter Director

- Employed for part of the year and were in receipt of remuneration at the rate of not less than ₹ 5.00 lakhs per month : **None**

Notes:

- * Remuneration shown above includes Salary, House Rent Allowance, Companies contribution to provident fund, LTA and other perquisites.
- * Nature of Employment is contractual.
- * The above Directors are related to each other as brothers.

On behalf of the Board of Directors

Balarama Govinda Das
Managing Director



ANNEXURE 2

Annual Report on the CSR activities pursuant to the Companies (Corporate Social Responsibility Policy) Rules 2014

S.No	Particulars	
1	A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Refer Sections: Corporate Social Responsibility
2	The Composition of the CSR Committee	Chairman - Balarama Govinda Das Members: Lalji Vora Ba. Ramesh N. B. Kumar CS. V. Vijayaraghavan - Company Secretary
3	Average Net profit of the company for the last three financial years.	₹ 3293.00 Lakhs
4	Prescribed CSR expenditure (two percent of the amount)	₹ 65.85 Lakhs
5	Details of CSR spent during the financial year. Total Amount to be spent for the financial year Cumulative unspent including previous years Total to be spent Amount spent Amount unspent, if any Manner in which the amount spent during the financial year is detailed below. 1. Water seeding to plants and providing water to public use 2. Medical Camp Total amount spent	₹ 65.85 Lakhs ₹ 1.92 Lakhs ₹ 67.77 Lakhs ₹ 0.90 Lakhs ₹ 66.87 Lakhs ₹ 0.25 Lakhs ₹ 0.65 Lakhs ₹ 0.90 Lakhs
6	In case the company has failed to spend the two per cent of the net profit for the financial year or any part thereof, the company shall provide the reason for not spending the amount its Board report.	There was balance of ₹1.02 lakhs unspent due to non-identification of the project. Now with addition of ₹65.85 lakhs this year there is an amount of ₹66.87 lakhs to be spent during the current financial year 2019-20.
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and Policy of the Company	Yes

Balarama Govinda Das

Chairman

Lalji Vora

Independent Director

Place : Madurai

Date : May 22, 2019

CORPORATE SOCIAL RESPONSIBILITIES IMPLEMENTED



The company has been undertaking various **CSR Activities** related to funding Gosala, medical camp including Eye camp for poor, supply of note books and other stationeries to school children, water supply to needy people at selective areas in Madurai, up keeping of plants and trees in the corporation wards by watering them and various other activities as and when identified under schedule VII of the companies act 2013.

**ANNEXURE -3 TO THE DIRECTORS' REPORT****FORM NO. AOC - 2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of contracts/ arrangements / transactions	Salient features of contracts/ arrangements /transactions, including value, if any	Justification for entering into such contracts/ arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable							

2. Details of material contracts or arrangements or transactions at arm's length basis:

Name of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of contracts/ arrangements / transactions	Salient features of contracts /arrangement transactions, including value, if any	Justification for entering into such contracts/ arrangements / transactions	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Nil							

**ANNEXURE 4 TO DIRECTORS' REPORT****Policy for Selection of Directors and determining Directors' independence****I. Introduction**

- 1.1 Thangamayil Jewellery Ltd (TMJL) believes that an enlightened Board consciously creates a culture of leadership to provide a long – term vision and policy approach to improve the quality of governance. Towards this, TMJL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 TMJL recognizes the importance of Independent Directors in achieving the effectiveness of the board. TMJL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

This policy sets out the guiding principles for the Nomination and Remuneration committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of the Company.
- 3.2 "Nominations and Remuneration Committee" means the committee constituted by TMJL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Policy:**4.1 Qualification and criteria**

- 4.1.1 The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.
- 4.1.2 In evaluation the suitability of individual Board members, the NR committee may take into account factors, such as:
 - ❖ General understanding of the Company's business dynamics, global business and social perspective;
 - ❖ Educational and professional background
 - ❖ Standing in the profession;
 - ❖ Personal and professional ethics, integrity and values;
 - ❖ Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 4.1.3 The proposed appointee shall also fulfil the following requirements:
 - ❖ Shall possess a Director Identification Number;
 - ❖ Shall not be disqualified under the Companies Act, 2013;
 - ❖ Shall give his written consent to act as a Director;
 - ❖ Shall Endeavour to attend all Board meetings and wherever he is appointed as a Committee Member, the Committee Meetings;



- ❖ Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- ❖ Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or others association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- ❖ Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

4.1.4 The NR committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NR committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as below;

An independent director in relation to a company, means a director other than a managing director or a whole time director or a nominee director –

- a) Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) i) Who is or was not a promoter of the company or its holding, subsidiary or associate company;
ii) Who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) Who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself nor any of his relatives –
 - i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
 - A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - v) is a material supplier, service provider or customer or a lessor or lessee of the company.



- f) Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g) Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h) Who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committees shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2. A Director shall not serve as Director in more than 20 Companies of which not more than 10 shall be Public Limited Companies.

4.3.3. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4. A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

ANNEXURE 4 TO DIRECTORS' REPORT

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction:

1.1 Thangamayil Jewellery Limited (TMJL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

2.1 This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and Reference:

In this Policy, the following terms shall have the following meanings:



- 3.1 “Director” means a director appointed to the Board of the Company.
- 3.2 “Key Managerial Personnel” means
- (i) The Chief Executive Officer or the managing director or the manager;
 - (ii) The company secretary;
 - (iii) The whole-time director;
 - (iv) The Chief Financial Officer; and
 - (v) Such other officer as may be prescribed under the Companies Act, 2013
- 3.3 “Nomination and Remuneration Committee: means the committee constituted by TMJL;s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Policy:

- 4.1 Remuneration to Executive Directors and Key Managerial Personnel
- 4.1.1 The Board, on the recommendations of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.1.2 The Board, on the recommendations of the NR Committees, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
- (i) Basic Pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Annual Performance Bonus
- 4.1.4 The Annual Plan and objectives for Executive Directors and Senior Executives (Executives Committee) shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and objectives.
- 4.2 Remuneration to Non-Executive Directors
- 4.2.1 The Board, on the recommendations of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
- 4.3 Remuneration to other employees
- 4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skills, seniority, experience and prevailing remuneration levels for equivalent jobs.

**ANNEXURE - 5 EXTRACT OF ANNUAL RETURN****FORM NO. MGT 9**

As on financial year ended on 31.03.2019

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

Please Refer our website www.thangamayil.com for details.**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L36911TN2000PLC044514
2	Registration Date	24-03-2000
3	Name of the Company	THANGAMAYIL JEWELLERY LIMITED
4	Category/Sub-category of the Company	Company limited by Shares Non-govt company
5	Address of the Registered office & contact details	124 Nethaji Road Madurai 625001. Tel No : 0452-2345553
6	Whether listed company	Listed
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	S..K.D.C.Consultants Ltd., Knapathy Towers, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and description of main Products / services	NIC Code of the Product/ service	% to total turnover of the company
Gold & Silver and precious metals	3211	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable				



IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8,188,932	-	8,188,932	59.69%	8,190,734	-	8,190,734	59.70%	0.01%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	927,042	-	927,042	6.76%	927,042	-	927,042	6.76%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	9,115,974	-	9,115,974	66.44%	9,117,776	-	9,117,776	66.46%	0.01%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	9,115,974	-	9,115,974	66.44%	9,117,776	-	9,117,776	66.46%	0.01%
B. Public									
1. Institutions									
a) Mutual Funds	817,000	-	817,000	5.95%	817,000	-	817,000	5.95%	0.00%
b) Banks / FI	-	-	-	0.00%	8,312	-	8,312	0.06%	0.06%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	121,417	-	121,417	0.88%	52,144	-	52,144	0.38%	-0.50%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	-
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	-
Sub-total (B)(1):-	938,417	-	938,417	6.84%	877,456	-	877,456	6.40%	-0.44%



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	954,625	-	954,625	6.96%	928,699	-	928,699	6.77%	-0.19%
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
l) Individual share holders holding nominal share capital upto ₹. 2 lakh	1,720,800	-	1,720,800	12.54%	1,798,960	-	1,798,960	13.11%	0.57%
ii) Individual shareholders holding nominal share capital in excess of ₹.2 lakh	732,167	-	732,167	5.34%	733,836	-	733,836	5.35%	0.01%
c) Others (specify)									
Non Resident Indians	69,935	-	69,935	0.51%	66,787	-	66,787	0.49%	-0.02%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	27,260	-	27,260	0.20%	20,471	-	20,471	0.15%	-0.05%
Trusts	17,623	-	17,623	0.13%	17,258	-	17,258	0.13%	0.00%
HUF	142,781	-	142,781	1.04%	158,316	-	158,316	1.15%	0.11%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
IEPF Authority	-	-	-	0.00%	23	-	23	0.00%	0.00%
Sub-total (B)(2):-	3,665,191	-	3,665,191	26.72%	3,724,350	-	3,724,350	27.15%	0.43%
Total Public (B)	4,603,608	-	4,603,608	33.56%	4,601,806	-	4,601,806	33.54%	-0.01%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	13,719,582	-	13,719,582	100.00%	13,719,582	-	13,719,582	100.00%	0.00%



ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Balarama Govinda Das	2,678,922	19.53%	16.41%	2,679,439	19.53%	21.30%	0.02%
2	Ba. Ramesh	2,703,196	19.70%	16.26%	2,704,196	19.71%	21.10%	0.04%
3	N.B. Kumar	2,663,044	19.41%	16.49%	2,663,546	19.41%	21.42%	0.02%
4	B Annamayil	10	0.00%	0%	20,200	0.00%	0%	0.00%
5	Yamuna Vasini Deva Dasi	20,200	0.15%	0%	10	0.15%	0%	0.00%
6	B Rajeshkanna	21,480	0.16%	0%	21,480	0.16%	0%	0.00%
7	Balasubbu Prasannan	21,480	0.16%	0%	21,480	0.16%	0%	0.00%
8	B R Sumati	200	0.00%	0%	200	0.00%	0%	0.00%
9	K Thamarai Selvi	22,500	0.16%	0%	22,500	0.16%	0%	0.00%
10	Narayanan Balasubbu Arun	22,300	0.16%	0%	22,300	0.16%	0%	0.00%
11	Balusamy Ramesh Darmini	22,300	0.16%	0%	22,083	0.16%	0%	-0.97%
12	Gokul Ramesh	13,300	0.10%	0%	13,300	0.10%	0%	0.00%
13	Thangamayil Gold & Diamond Private Limited	701,671	5.11%	0%	701,671	5.11%	0%	0.00%
14	Balusamy Silvears Jewellery Private Limited	225,371	1.64%	0%	225,371	1.64%	0%	0.00%
	Total	9,115,974	66.44%		9,117,776	66.46%		0.02%



(iii) Change in Promoters' Shareholding

S.No	Name	Shareholding at the beginning of (01.04.18)/ end of the year (31.03.2019)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year 01.04.2018 to 31.03.2019	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
		2,678,922	19.53	01-Apr-18			2,678,922	19.53
1	Balarama Govinda Das			08-Oct-18	17	Purchase	2,678,939	19.53
				09-Oct-18	500	Purchase	2,679,439	19.53
				31-Mar-19			2,679,439	19.53
2	Ba. Ramesh	2,703,196	19.70	01-Apr-18			2,703,196	19.70
				09-Oct-18	1,000	Purchase	2,704,196	19.71
				31-Mar-19			2,704,196	19.71
3	N.B. Kumar	2,663,044	19.41	01-Apr-18			2,663,044	19.41
				09-Oct-18	502	Purchase	2,663,546	19.41
				31-Mar-19			2,663,546	19.41
4	B. Annamayil	10	0.00	01-Apr-18			10	0.00
				31-Mar-19			10	0.00
5	Yamuna Vasini Deva Dasi	20,200	0.15	01-Apr-18			20,200	0.15
				31-Mar-19			20,200	0.15
6	B. Rajeshkanna	21,480	0.16	01-Apr-18			21,480	0.16
				31-Mar-19			21,480	0.16
7	Balasubbu Prasannan	21,480	0.16	01-Apr-18			21,480	0.16
				31-Mar-19			21,480	0.16
8	B.R. Sumati	200	0.00	01-Apr-18			200	0.00
				31-Mar-19			200	0.00
9	K. Thamaraiselvi	22,500	0.16	01-Apr-18			22,500	0.16
				31-Mar-19			22,500	0.16
10	Narayanan Balasubbu Arun	22,300	0.16	01-Apr-18			22,300	0.16
				31-Mar-19			22,300	0.16
11	Balusamy Ramesh Darmini	22,300	0.16	01-Apr-18			22,300	0.16
				31-Dec-18			22,083	0.16
				31-Mar-19	(217)	Sales	22,083	0.16
12	Gokul Ramesh	13,300	0.10	01-Apr-18			13,300	0.10
				31-Mar-19			13,300	0.10
13	Thangamayil Gold and Diamond Private Limited	701,671	5.11	01-Apr-18			701,671	5.11
				31-Mar-19			701,671	5.11
14	Balusamy Silvears Jewellery Private Limited	225,371	1.64	01-Apr-18			225,371	1.64
				31-Mar-19			225,371	1.64



(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	Name	Shareholding at the beginning of (01.04.18)/ end of the year (31.03.2019)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year 01.04.2018 to 31.03.2019	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	SBI Mutual funds (Group)	817,000	5.95	01-Apr-18			817,000	5.95
				31-Mar-19			817,000	5.95
2	Luxmi Township Limited	150,097	1.09	01-Apr-18			150,097	1.09
				31-Mar-19			150,097	1.09
3	Aadi Financial Advisors LLP	148,828	1.08	01-Apr-18			148,828	1.08
				31-Mar-19			148,828	1.08
4	Infina Finance Private Limited	130,000	0.95	01-Apr-18			130,000	0.95
				21-Dec-18	(2,800)	Sales	127,200	
				28-Dec-18	(5,600)	Sales	121,600	
				31-Dec-18	(2,000)	Sales	119,600	
				01-Mar-19	2,355	Purchase	121,955	
				31-Mar-19			121,955	0.89
5	Anshul Saigal	116,914	0.85	01-Apr-18			116,914	0.85
				31-Mar-19			116,914	0.85
6	Akash Bansali	100,000	0.73	01-Apr-18			100,000	0.73
				31-Mar-19			100,000	0.73
7	Lakshmanan Sivakumar	93,153	0.68	01-Apr-18			93,153	0.68
				31-Mar-19			93,153	0.68
8	Ramesh Damini	65,638	0.48	01-Apr-18			65,638	0.48
				31-Mar-19			65,638	0.48
9	IIFL Long term Growth Fund	62,397	0.45	01-Apr-18			62,397	0.45
				06-Apr-18	1,500	Purchase	63,897	
				06-Apr-18	(18,311)	Sales	45,586	
				02-Nov-18	(13,046)	Sales	32,540	
				31-Mar-19			32,540	0.24
10	Rowenta Networks Private Limited	47,731	0.35	01-Apr-18			47,731	0.35
				06-Apr-18	1,186	Purchase	48,917	
				15-Jun-18	234	Purchase	49,151	
				22-Jun-18	2,053	Purchase	51,204	
				15-Mar-19	10,092	Purchase	61,296	
				22-Mar-19	11,000	Purchase	72,296	
				31-Mar-19			72,296	0.53
11	Avinash Wadwa	58,964	0.43	01-Apr-18			58,964	0.43
				31-Mar-19			58,964	0.43



V. INDEBTEDNESS

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

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	22,064.70	1,880.63	3,900.10	27,845.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	403.14	403.14
Total (i+ii+iii)	22,064.70	1,880.63	4,303.24	28,248.57
Change in Indebtedness during the financial year				
* Addition	-	-	879.67	879.67
* Reduction	3,819.81	545.92	194.69	4,560.42
Net Change	3,819.81	545.92	684.98	(3,680.75)
Indebtedness at the end of the financial year				
i) Principal Amount	18,244.89	1,334.71	4,779.77	24,359.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	208.45	208.45
Total (i+ii+iii)	18,244.89	1,334.71	4,988.22	24,567.82

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

S.No	Particulars of Remuneration	Name of MD/WT/ Manager			Total
	Name	Balarama Govinda Das	Ba. Ramesh	N B Kumar	
	Designation	MD	JMD	JMD	
	Gross salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.00	72.00	72.00	216.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(C) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	72.00	72.00	72.00	216.00



B. Remuneration to other Directors

(₹ in lakhs)

S.No	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	V R Muthu	Lalji Vora	S Rethinavelu	V Ramasamy	
1	Fee for attending board committee	0.20	0.30	0.15	0.10	0.75
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.20	0.30	0.15	0.10	0.75
	Other Non-Executive Directors	Yamuna Vasini Deva Dasi				
2	Fee for attending board committee	0.30				0.30
	Commission					
	Others, please specify					
	Total (2)	0.30	-	-	-	0.30
	Total (B)=(1+2)	0.50	0.30	0.15	0.10	1.05
	Total Managerial Remuneration					216.00
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lakhs)

S.No	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	V Vijayaraghavan	B.. Rajeshkanna	
	Designation	Company Secretary	CFO	
	Gross salary	15.50	28.80	44.30
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	15.50	28.80	44.30

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Companies Section of the Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



ANNEXURE -6

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

The Members,

THANGAMAYIL JEWELLERY LIMITED,

MADURAI

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **THANGAMAYIL JEWELLERY LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

**6. Other Laws applicable to the Company ;**

- | | |
|--|---|
| 1. Employees' Provident Fund Act, 1952 and misc provisions Act, 1952 | 11. Industrial Dispute Act, 1947 |
| 2. Professional Tax Act, 1975 and Rules | 12. The Workmen's Compensation Act, 1923 |
| 3. Payment of Gratuity Act, 1972 | 13. The Payment of Wages Act, 1936 |
| 4. Employees State Insurance Act, 1948 | 14. Competition Act, 2002 |
| 5. Minimum Wages Act, 1948 | 15. Central Excise Act, 1944 |
| 6. Payment of Bonus Act, 1965 | 16. Standard Weights & Measures Act |
| 7. Shop and Establishment Act, 1948 | 17. Bureau of Indian Standard (BIS) (Hallmarking) |
| 8. Labour Welfare Fund Act, 1953 | 18. Income Tax Act, 1961 |
| 9. Maternity Benefit Act, 1961 | 19. Finance Act, 1994 |
| 10. Factories Act, 1948 | 20. Customs Act, 1962 |

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National stock exchange limited including the New Listing Agreement under SEBI (LODR) Regulations, 2015.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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

S.MUTHURAJU

(Practicing Company Secretary)

Proprietor**ACS: 8825****CP: 4181**

Place : Madurai

Date : May 22, 2019

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.



"ANNEXURE A"

To,
The Member,
THANGAMAYIL JEWELLERY LIMITED
MADURAI

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

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

S.MUTHURAJU

(Practicing Company Secretary)

Proprietor

ACS:8825

CP:4181

Place: Madurai

Date : May 22, 2019

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para Clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To

**The Members of Thangamayil Jewellery Limited,
124 Nethaji Road,
Madurai 625 001.**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Thangamayil Jewellery Limited, registered office at 124, Nethaji road, Madurai-625001. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Director	Designation	DIN	Date of appointment in Company
1	Balarama Govinda Das	Managing Director	00266424	03.05.2001
2	Ba. Ramesh	Joint Managing Director	00266368	03.05.2001
3	N.B.Kumar	Joint Managing Director	01511576	03.05.2001
4	S.Rethinavelu	Independent Director	00935338	26.09.2007
5	Lalji Vora	Independent Director	01899070	26.09.2007
6	V.R.Muthu	Independent Director	01908841	26.09.2007
7	V. Ramasamy	Independent Director	00266424	25.05.2016
8	Yamuna Vasini Deva Dasi	Non-Executive Director	01388187	04.02.2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Name : **S.MUTHURAJU**

Membership No. : **8825**

C.P No. : **4181**

Place : Madurai

Date : May 22, 2019

**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

India's gems and Jewellery sector is one of the largest sector in the world contributing 29 per cent to the global Jewellery consumption. The market size of the sector is about US\$ 75 billion as of 2018 and is estimated to reach US\$ 100 billion by 2025. The sector is home to more than 300,000 gems and Jewellery players, contributes about 7 per cent to India's Gross Domestic Product (GDP) and employs over 4.64 million employees.

India's gems and Jewellery sector contributes about 15 per cent to India's total merchandise exports. The overall net exports of gems and Jewellery stood at US\$ 32.71 billion during FY18 registering a compound annual growth rate (CAGR) of 5.83 per cent over FY05; whereas gems and Jewellery imports increased at a CAGR of 7.97 per cent from US\$ 11.63 billion in FY05 to US\$ 31.52 billion in FY18.

India is the world's largest center for cut and polished diamonds in the world and exports 75 per cent of the world's polished diamonds. Today, 14 out of 15 diamonds sold in the world are either polished or cut in India. India exported US\$ 21.95 billion worth of cut and polished diamonds in April 2018-February 2019.

OUTLOOK

India is the largest consumer of gold in the world. Rising middle class population and increasing income levels are the key drivers for the demand of gold and other Jewellery in India. Gold demand in India rose 11 per cent year-on-year to 523.93 tonnes during January-September 2018. Also, the Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route. As of January 2018, the Reserve Bank of India (RBI) has increased the scope of the gold-monetization scheme by allowing charitable institutions and government entities to deposit gold, which is expected to boost deposits over the coming months. The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018, to include a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweler's identification mark on gold jewellery. The move is aimed at ensuring a quality check on gold Jewellery. The outlook for industry growth is bright and likely to grow in the future.

**MARKET SIZE**

Gold demand in India rose to 523.93 tonnes between January to September 2018. India's gems and jewellery exports stood at US\$ 28.52 billion between Apr 2018 –Feb 2019*. During the same period, exports of cut and polished diamonds stood at US\$ 21.95 billion, thereby contributing about 76.96 per cent of the total gems and jewellery exports in value terms. Exports of gold coins and medallions stood at US\$ 686.51 million and silver jewellery exports stood at US\$ 765.98 million between April 2018 - February 2019*.

India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country. The Goods and Services Tax (GST) and monsoon will steer India's gold demand going forward.



INVESTMENTS/DEVELOPMENTS

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewelers are able to fulfill their changing demands better than the local unorganized players. Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000 – December 2018 were US\$ 1.15 billion, according to Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the key investments in this industry are listed below.

- Deals worth ₹ 8,000 crore (US\$ 1.19 billion) were made at the Indian International Jewellery Show held in August 2018.
- Companies such as PC Jewellers, PNG Jewellers, Popley and Sons, are planning to introduce a virtual-reality (VR) experience for their customers. The customer will have to wear a VR headset, through which they can select any jewellery, see the jewellery from different angles and zoom on it to view intricate designs.

GOVERNMENT INITIATIVES

The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.

In the Union Budget 2018-19, the Government of India, offered tax cuts for the middle class and other sections of society (up to 5 lakhs - Nil tax rate); which was 5 per cent initially). All these measures will drive consumption, which will be favourable to the gems and jewellery industry. The demonetisation move is encouraging people to use plastic money, debit/credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.

The Gems and Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Understanding (MoU) with Maharashtra Industrial Development Corporation (MIDC) to build India's largest jewellery park in at Ghansoli in Navi-Mumbai on a 25 acres land with about more than 5000 jewellery units of various sizes ranging from 500-10,000 square feet. The overall investment of Rs 13,500 crore (US\$ 2.09 billion).

Gold Monetization Scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.

ROAD AHEAD

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organized market and are opening opportunities to grow. Increasing penetration of organized players provides variety in terms of products and designs. Online sales are expected to account for 1-2 per cent of the fine jewellery segment by 2021-22. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilization of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

RISKS AND CONCERNS

It is essential to correctly assess the risk in each segment so that the risk is mitigated before it becomes a possible threat. General risk segments are statutory compliances, economy, financials, Government policies, market related, operational, products and technology etc.,

The management has a rapid review of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision making process and to encourage proactive management and not reactive management. From the perspective of the company the risks are of the following nature:



- (a) **Strategic risk:** Those risks associated with operating in a particular industry and includes risks arising from demand changes, changes in customers preference , taste and industry changes. These risks pose threats or opportunities which materially affect the ability of the organization to survive.
- (b) **Compliance risk:** Those risks associated with the need to comply with Government Laws and regulations. They also apply to the need to act in a manner which stakeholders and customers expect.
- (c) **Operational risk:** Those associated with the company's operational and administrative procedures which inter alia include accounting controls, regulations, recruitment, IT systems, board composition, contractual risks and exposures, organizational risks and exposures.
- (d) **Financial risk:** Those associated with financial structure of the company, its transactions and the financial system in place.
- (e) **Environmental risk:** Those associated with release of polluting materials, environmental performance/ compliance limits, business opportunities and breach of regulations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

- * Documenting Major Business Process including financial reporting, Computer Controlling, Security Checks and Top Committee level Plans
- * A comprehensive information security policy and continuous upgrades to IT system
- * Audit Committee of the Board of Directors, comprising independent directors, which is functional since October 2007, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, as well as, reasons for changes in accounting policies and practices, if any.
- * A well established multi-disciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks
- * Monthly meeting of the top management committee to review operations and plans in key business areas
- * Corporate policies on accounting and major processes.
- * Well-defined processes for formulating and reviewing annual and long term business plans.
- * Preparation and monitoring of annual budgets for all trading activities.
- * Having introduced and continually upgraded, improved and fine tuned state of the art Enterprise Resource Planning (ERP) since August 2008, supplier Relations Management and Customer Relations Management, to connect its different locations, dealers and vendors.

ANTI-FRAUD PROGRAMME.

The Board takes responsibility for the total process of risk management in the organization. The Audit Committee reviews reports covering operational, financial and other business risk areas. Taking into Consideration the high risk associated with this business, the organization and management have taken necessary measures towards achieving an environment free of fraud. This is also facilitated by internal audit. The business risks are managed through cross functional involvement and intense communication across businesses. Results of the risk assessment and residual risks are presented to the senior management.



INFORMATION TECHNOLOGY

Thangamayil Jewellery Limited has a jewellery retail based information technology savvy department deploying the best retail solutions in the market to enhance, develop, support and maintain our retail business activity across all our showrooms

Thangamayil has developed an information technology team to test and maintain our own solutions across the showrooms. As a base platform for our ERP we used SAP Business One solution across the showrooms. End to end application to meet the requirements of Jewellery retail business needs, right from purchase of ornament to sale of it, customer management and inventory handling.

Thangamayil jewellery E-commerce is a first of its kind in online jewellery retail segment with an in-store experience of selling 22kt gold ornaments, silver articles, diamond and platinum jewels. The in-store experience to a customer is to view more variety ornaments on every online visit (not a confined catalog) with the store price. The ornaments are real photographed pictures with exact product details and real time priced based on the market rate of gold and silver.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels.

With the changing and turbulent business scenario, the Company's basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities.

In order to keep the employees skill, knowledge and business facilities updated, ongoing in house and external training is provided to the employees at all levels. The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year.

Note: Forward looking statements embedded in the Management Discussion and Analysis above is based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

SWOT ANALYSIS

Strengths

- ❖ Renowned brand across in southern and western regions of Tamil Nadu
- ❖ Adequate manufacturing facilities across the jewellery hub for strengthening of design
- ❖ Cost competitive logistics
- ❖ Capable to venture into new markets and exploit various opportunities with the help of strong management team
- ❖ Having huge customer base to explore new markets across the state
- ❖ Customized service gives a unique identity to the company distinct from other players
- ❖ Use of synergy optimization at various functional verticals gives a huge advantage
- ❖ Advanced Technology strength to support business operations and expansion



Weaknesses

- ❖ Operating in a stiff competitive environment with uncertain profit margins.
- ❖ Unpredicted Gold price movements and its impact on margin of the product.
- ❖ Low margin products
- ❖ Limited area of operation is the bottleneck to exploit untapped markets.
- ❖ Frequent change in customer taste and preference for jewellery designs.
- ❖ Mixture of organized and un-organized sector in Jewellery Industry affects profit margins drastically

Opportunities

- ❖ Sustained performance over the last few years in Madurai and surrounding areas for replication of the model in other Tier II/III cities in Tamil Nadu having similar customer profile.
- ❖ Growing preference for on line plat form
- ❖ Rural development
- ❖ Customer's preference in choosing hallmarked products over products made by un-organized manufacturers.
- ❖ Concentrating in one sector makes the company mature in the industry and gain efficiency in operations.
- ❖ Scaling of economy resultant out of Brand/ Advertisement & Publicity / Procurement of Gold, Product Mix, designs, etc.
- ❖ Increasing disposable income in Tier II and III locations as well as growing consciousness of branded jewellery in these locations which is shifting demand toward organized players.

Threats

- ❖ Presence of Small and un-organized industry players affects a sustained growth in the industry.
- ❖ Depending on bank finance and customer advances
- ❖ Existing competitors
- ❖ Penetration of large corporates jewellery traders cutting down margins.
- ❖ Macro-economic factors such as Rupee fluctuations, enactment of new laws such as GST, KYC norms and global demand recession affects the industry growth in general.
- ❖ Acute shortage of skilled labour increases the production cost significantly.
- ❖ Highly fluctuating gold price movement acts as a damper
- ❖ Increasing duties and cess following GST implementation.

Segment wise or Product wise performance:

It is single segment and the product is gold jewellery - performance depends upon the competition, gold price movement, customer satisfaction and the general demand and supply position and also government regulations.

Financial performance Vs Operational performance:

It is trading business predominantly and hence financial and operational performance co-exists and complimentary to each other and it is fully dependent on price factor and customer taste, demand and supply position in the market.



FINANCIAL OPERATIONS

RESULTS OF OPERATIONS

1. Net Revenue from Operations:

(₹ in lakhs)

Particulars	FY 2018-19	FY 2017-18	Change	% of Change
Sale of Products	1,44,335	1,37,929	6,406	5%

Sales for the financial year 18-19 have increased by 5% when compared to the previous year.

2. Other Income

(₹ in lakhs)

Particulars	FY 2018-19	FY 2017-18	Change	% of Change
Other Operating Income	287	155	132	85%

The other operating income represents interest on fixed deposit and other miscellaneous income.

3. Gross Profit

(₹ in lakhs)

Particulars	FY 2018-19	FY 2017-18	Change	% of Change
Revenue from Operations	1,44,335	1,37,929	6,406	5%
Less: Cost of Consumption	1,30,288	1,25,111	5,177	5%
Gross Profit	14,047	12,818	1,229	10%

Better realization of inventory in the second half the year due to steep increase in gold price and diamond and silver products contributed better this year.

4. Profit Before Tax

(₹ in lakhs)

Particulars	FY 2018-19	FY 2017-18	Change	% of Change
Profit before Taxation	4,554	3,394	1,160	34%

During the year, the company achieved profit before tax is ₹ 4,554 lakhs as against net profit of ₹ 3,394 lakhs.

5. Total Comprehensive Income (After Taxation)

(₹ in lakhs)

Particulars	FY 2018-19	FY 2017-18	Change	% of Change
Total Comprehensive Income After taxation	3,025	2,274	1,160	34%

For the year company achieved net profit after tax of ₹ 3,025 lakhs. This performance is on account of improvement in gross profit margin, better return in diamonds & silver products, as well as better gold price realisation.



Financial Condition

Overview

1) Equity Share Capital

The issued, subscribed and paid up capital as at March 31, 2019 stood at ₹ 1,371.96 lakhs. There was no fresh infusion of capital during the year.

2) Other Equity

Other Equity stood at ₹ 17,947 lakhs as against ₹ 15,501 lakhs in the previous year.

3) Property, Plant and Equipment and Intangible Assets

Gross block of Fixed Asset is comprising of ₹ 8,787 lakhs for Land, Plant & Machinery, Furniture & Fixtures, Vehicle and ₹ 1,417 lakhs for buildings and ₹ 2,460 lakhs for Computer Equipments and software.

4) Inventories

Inventories amounted to ₹ 50,404 lakhs as at 31st March 2019 as against ₹ 47,590 lakhs as at the previous year end.

5) Trade Receivables

Trade Receivables amounted to ₹ 217 lakhs as at 31st March 2019 as against ₹ 130 lakhs as at 31st March 2018.

6) Cash and Cash equivalents

Cash and bank balances with banks amounts to ₹ 894 lakhs as against ₹ 368 lakhs in the previous year.

7) Bank Balance other than cash and cash equivalents

Bank balance other than Cash and cash equivalents with banks amounts to ₹ 4,310 lakhs as against ₹ 2,820 lakhs in the previous year. The increase on account of margin money and fixed deposit kept for gold metal loan facilities.

8) Current Tax Assets (Net)

Current tax assets amounting to ₹ 630 lakhs as against ₹ 1,278 lakhs in the previous year. The advance payment of tax will be set off under MAT credit reversal in subsequent years.

9) Current Liabilities

Current liabilities excluding provisions amounting to ₹ 41,992 lakhs includes secured loan from banks, Current Maturities on long term loans and Trade creditors for raw materials and creditors for advertising and promotion spends, packing materials, advance received from customers and creditors for capital purchases.

10) Working Capital

The Company has a Working Capital (including cash and bank balances) of ₹ 14,933 lakhs as at 31st March 2019 as against ₹ 11,569 lakhs as at 31st March 2018. The increase in working capital is an account of internal accruals.

11) Debt Equity Ratio

Your Company has got Average Net Debt Equity ratio of 2.10 as at 31st March 2019 as against 2.42 as at 31st March 2018.

12) Current Ratio

Your Company having current ratio 1:1.36 as at 31st March 2019 as against 1:1.28 as at 31st March 2018.

13) Interest Coverage Ratio

Your Company having interest coverage of 3.61 times as at 31st March 2019 as against 3.24 times as on 31st March 2018.

14) Inventory Turnover Ratio

Your Company has got inventory turnover ratio of 2.86 times as at 31st March 2019 as against 2.90 times as at 31st March 2018.



REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 27 of SEBI (LODR) 2015 of the Listing Agreement)

The following is a report on Corporate Governance code as implemented by your company.

MANDATORY REQUIREMENT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparency, professionalism and accountability, which are the basic principles of corporate governance. The Company would constantly endeavor to improve on these aspects. The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics and the Code of Conduct for Prevention of Insider Trading for board and senior management personnel.

The basic philosophy of corporate governance at TMJL is to achieve business excellence by creating and enhancing value for its stakeholders.

a) The Board of Directors and the Management of TMJL commit themselves to:

- ❖ Strive towards enhancement of Shareholder value through;

- (I) Sound business decisions

- (ii) Prudent financial management and

- (iii) High standards of ethics throughout the organization.

- ❖ Ensure transparency and professionalism in all decisions and transactions of the company.

- ❖ Achieve excellence in Corporate Governance by

- (I) Conforming to and exceeding wherever possible, the prevalent mandatory guidelines on Corporate Governance.

- (ii) Regularly reviewing the Board processes and the management systems for further improvement.

Thus, in TMJL we are committed to conduct our business in a manner which will ensure long-Term growth thereby maximizing value to shareholders, Customers, Employees and Society at large. The company recognizes that good corporate governance is essential to build and retain the confidence of its shareholders. Therefore, the company ensures that various disclosure requirement are complied with for effective corporate governance. To this end, the company's philosophy on corporate governance is to endeavor to ensure:

- ❖ That system procedure which monitors compliance with laws, rules and regulations are in place in each area of its Business.

- ❖ That relevant information regarding the company and its operations is disclosed, disseminated and easily available to its shareholders and

- ❖ That the Board of Directors is kept fully informed of all material developments in the company, the risks in its business and its operations and the rationale for management's decisions and recommendations, so that the Board of Directors can effectively discharge their responsibilities to our shareholders.

The Company continues to undertake an Audit of its secretarial records and documents by a Practicing Company Secretary in respect of compliance with the applicable provisions of the Act, Listing Agreement with the Indian Stock Exchanges and the applicable regulations and guidelines issued by Securities and Exchange Board of India. A copy of the Secretarial Audit Report for the period under review is a part of the Annual Report.

CORPORATE CODE OF CONDUCT

The activities and conduct of the company and its employees are governed by the code of conduct of the company. The major salutary principles prescribed by the code of conduct are:

Conduct of business in consonance with National interest.



- Fair and accurate presentation of Financial Statements.
- Practicing politically non- alignment.
- Maintaining quality of product and services.
- Being a good corporate citizen.
- Ethical conduct.
- Commitment to enhance shareholder value and statutory compliance.

BOARD OF DIRECTORS

Composition of the Board

The Company has adopted the corporate governance principles to ensure that the Board functions with utmost transparency, is independent and enables the stakeholders to take informed decisions. To this effect, steps have been taken to ensure that the Board consists of distinguished members with expertise in various fields. The Board at TMJL is fully aware of its responsibilities to the company, to the stake holders and to the regulatory authorities and is working towards achieving utmost transparency.

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive Directors. As at March 31, 2019, the Company's Board consists of 8 directors and is headed by its Chairman and Managing Director, Mr. Balarama Govinda Das, out of which, four are Non- executive Independent Directors. None of the Directors on the Company's Board is a Director in more than 15 Companies, neither a Chairman of more than five Committees nor a member of more than 10 Committees. All the Directors have made necessary disclosures regarding their Directorship and Chairmanship/Committee Membership in other Companies.

The appointment of the Chairman and Managing Director and Joint Managing Director including the tenure and terms of remuneration, are approved by the members at their general meetings.

Board Meetings

Six Board meetings were held during 2018-19 and the gap between two meetings did not exceed four months. The dates, on which the Board meetings were held, are as follows:

23 April 2018, 25 May 2018, 1 August 2018, 9th November 2018, 8th February 2019, and 29th March 2019.

The independent directors of the Board are experienced, competent and highly renowned in their respective fields. The independent directors take active part at the Board and committee Meetings which brings value to the decision making process of the board.

**Non-executive directors- compensation**

The Non-executive directors are paid a sitting fee for attending the board meetings and are not paid any other compensation in any other form.

The previous Annual General Meeting was held on 1st August 2018.

Composition, Status, Attendance at the Board Meetings, and the last Annual General Meeting (AGM):

Name of Director	Status	No. Of Board Meetings		Attendance At the last AGM	No. Of other Companies on which Director * (other than Pvt. Ltd. Companies)	No of committees** Other than Thangamayil Jewellery Limited in which member
		Held during the year	Attended during the year			
Mr. Balarama Govinda Das (Chairman, Managing Director)	Promoter and Executive	6	6	Yes	-	-
Mr. Ba.Ramesh (Joint Managing Director)	Promoter and Executive	6	6	Yes	-	-
Mr. N. B. Kumar (Joint Managing Director)	Promoter and Executive	6	6	Yes	-	-
Mr. S. Rethinavelu	Independent Non-executive	6	3	No	-	-
Mr. LaljiVora	Independent Non-executive	6	6	Yes	-	-
Mr. V.R. Muthu	Independent Non-executive	6	4	Yes	1	-
Mrs. Yamuna Vasini deva dasi	Promoter & Non-executive	6	6	Yes	-	-
Mr. V. Ramasamy	Independent Non-executive	6	2	Yes	-	-

* Excludes Directorship in Private Ltd., companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

** Audit Committee, Remuneration Committee and Stakeholders'/Investors' Grievance Committee

Adoption of Code of Conduct

The Company has adopted Codes of Conduct for Executive Directors and Senior Management and Non-Executive Directors separately. The Managing Director has given a declaration to the effect that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code.

Access to information and updation to directors:

The board reviews all information provided periodically for discussion and consideration at its meetings in terms of SEBI (Listing obligations and disclosure requirements) Regulation, 2015 of the Listing Agreement. Functional heads are present whenever necessary and apprise all the directors about the developments. They also make presentations to the board and audit committee of directors.

Apart from this, the observations of audit carried out by the internal auditors and report submitted by the statutory auditors of the Company are placed and discussed with respective heads. The board also reviews the declarations made by the chairman and Managing director and secretary of the Company regarding compliance of all applicable laws on quarterly basis.

Decisions taken at the board / committee meetings are communicated to the respective divisions. Action taken report on decisions of previous meetings is placed at every succeeding meeting of the board / committee for reporting the compliance.

**Appointment / Re-appointment of directors:**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 of the Listing Agreement with the Stock Exchanges, a brief resume of directors, proposed to be re-appointed, nature of their expertise in specific areas, their other directorships and committee memberships, their shareholdings and their relationships, if any, with other directors are provided in the notice convening the ensuing annual general meeting of the Company.

Disclosure of relationship between Directors-Inter-se:

The three whole time directors namely Shri.Balarama Govinda Das, Shri.Ba.Ramesh & Shri.N.B.Kumar, are brothers each other and Smt.Yamuna Vasini Deva Dasi, Non-executive director (Woman) is related to Shri.Balarama Govinda das, Managing director as his spouse. All other Non-Executive directors are in no way related to the promoter directors or among themselves.

Number of shares held by Non-Executive Directors:

- | | |
|--------------------------------|----------|
| 1) Smt.Yamuna Vasini Deva Dasi | - 20,200 |
| 2) Shri.Lalji vora | - 100 |
| 3) Shri.S.Rethinavelu | - Nil |
| 4) Shri.V.R.Muthu | - Nil |
| 5) Shri.V.Ramasamy | - Nil |

Web-link of Familiarization programs to Independent Directors:

Please refer our website https://www.thangamayil.com/media/other_reports/TMJL-Familiarisation-programme.pdf for details.

Chart of Skills/Expertise/competence of Board of Directors:



A periodic SWOT analysis is undertaken by the Board of Directors to detect favourable opportunities and our unique strength in balancing the industrial Threats/Risk and weakness that combine the business of our industry. A prudent planning is charted out by encashing our strength to tackle the risk/threats of industry.

Generally the entire Board of directors exercise their skill with their hands on experience to meet the business Commitments.

AUDIT COMMITTEE

During the year, four meetings of the Audit Committee were held on 25th May 2018, 1st August 2018, 9th November 2018, and 8th February 2019.

The Chairman of the Audit Committee also attended the Company's last Annual General Meeting.

The following table summarizes attendance of Audit Committee members during the year under review:

Name of the person	Designation	No. of meetings held during the tenure	No. of Meetings Attended
Sri. S. Rethinavelu	Chairman	4	3
Sri. Ba.Ramesh	Member	4	4
Sri. V.R.Muthu	Member	4	4

The Company Secretary acts as the Secretary to the Committee.

The role of the Committee shall be as under:

- ❖ Oversee of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ❖ Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- ❖ Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
 - Any changes in accounting policies and practices.
 - Matter included in the Director's responsibility Statement.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial Statements.
 - Any related party transactions i.e. Transaction of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. That may have potential conflict with the interests of company at large.
- ❖ Reviewing with the management, external and internal auditor, on adequacy of internal control systems.
- ❖ Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ❖ Discussion with internal auditors on any significant findings and follow up there on.
- ❖ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.



- ❖ Discussions with external auditors before the audit commence about the nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
- ❖ Reviewing the company's financial and risk management policies.
- ❖ Reviewing the Management Discussion and Analysis of financial condition and results of operation;
- ❖ Recommending to the Board, the appointment and fixation of remuneration of Cost and Secretarial Auditors;
- ❖ Reviewing reports of Cost audit, Secretarial audit and discussion with Secretarial Auditors on any significant findings by them;
- ❖ Reviewing the Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- ❖ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.

In addition to the above, the Audit committee shall also mandatorily review the following:

- ❖ Management discussion and analysis of financial condition and results of operations;
- ❖ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- ❖ Management letters / letters of internal control weaknesses issued by the statutory auditors;
- ❖ Internal audit reports relating to internal control weaknesses; and
- ❖ The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee of the Company is empowered to review the remuneration of the Managing Director and the Executive Directors.

The Remuneration Committee consists of 3 Independent Directors (including the Chairman of the Committee. The composition of the Remuneration Committee and attendance at its meeting is as follows:

Name of the person	Designation	No. of Meetings Attended
Sri. S. Rethinavelu	Chairman	3
Sri. Ba.Ramesh	Member	4
Sri. V.R.Muthu	Member	4

Sri. V. Vijayaraghavan, Company Secretary is the Secretary of the Committee.

The terms of reference of the Remuneration Committee are:

- ❖ The Remuneration Committee recommends to the board the compensation terms of the executive directors.
- ❖ Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- ❖ Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- ❖ Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- ❖ Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the company and the shareholders.

**Performance evaluation criteria for Independent Director**

The performance of the Board of Directors is evaluated based on their commitments, involvement, management of the affairs of the company, effectively and result oriented approach in guiding and providing proper lead to key executives meet in line to the Board.

Remuneration Policy

The remuneration of the Managing Director and Joint Managing Directors is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organisations and is decided by committee members.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing and Joint Managing Directors. The remuneration package of whole time Directors has been calculated in accordance with the requirements of schedule V of the Companies Act, 2013. Annual increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective from April 1, annually.

A sitting fee of ₹ 5,000/- for attendance at each meeting of the Board and committee, is paid to its Members (excluding Whole-time Directors).

Remuneration of Non-Executive Directors

The Non-Executive Directors do not receive any remuneration from the Company, apart from the sitting fees. No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

The components of the total remuneration vary for different grades of employees and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives.

The Directors' remuneration in respect of the Financial Year 2018-2019, is given below:-

(₹ in lakhs)

Name of the person	Designation	Remuneration – Salary up to a Maximum
Sri. Balarama Govinda Das	Managing Director	72.00
Sri. Ba.Ramesh	Joint Managing Director	72.00
Sri. N.B.Kumar	Joint Managing Director	72.00

The Company has not issued any stock option to its Directors / Employees.

All decisions relating to the remuneration of Directors are taken by the Remuneration Committee with the approval received from Board as well as the members of the Company.

The Directors' remuneration as mentioned above consists of fixed salary component payable to them. No other benefits / incentives, bonus, pension, etc., is payable. The service contract is for a period of 5 years with a notice period of 3 months. No severance fee is stipulated.

**Particulars of Sitting Fees paid and Details of Shareholding of independent directors during the financial year 2018-19.**

Name of the Directors	Sitting Fees (in ₹)	No of Equity Shares Held
Sri. S. Rethinavelu	15,000	-
Sri. LaljiVora	30,000	100
Sri. V.R. Muthu	20,000	-
Smt.Yamuna Vasini Deva Dasi	30,000	20,200
Sri.V.Ramasamy	10,000	-
Total	105,000	20,300

STAKE HOLDERS GRIEVANCE AND RELATIONSHIP COMMITTEE

The primary role of the investor grievance committee is to:

1. To specifically look into the Redressal of Investors' Grievances pertaining to:

- Transfer of shares
- Dividends
- Non-receipt of declared dividend.
- Non-Receipt of Annual Report
- Complaints with respect to dematerialization of Shares,
- To look into other related issues towards strengthening investors' relations.

The committee has the following members:

Name of the person	Designation
Sri. LaljiVora	Chairman
Sri. Balarama Govinda Das	Member
Sri. Ba. Ramesh	Member
Sri N.B.Kumar	Member
Sri.V.Vijayaraghavan	Company Secretary

All the investors' complaints were resolved as on 31st March 2019 and no complaints were pending at the year end.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

To review the CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.



The composition of the Corporate Social Responsibility Committee as at March 31, 2019 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the person	Designation	Meeting held and Attended
Sri. Balarama Govinda Das	Chairman	4
Sri. LaljiVora	Member	4
Sri. Ba. Ramesh	Member	4
Sri.N.B. Kumar	Member	4

Sri. V. Vijayaraghavan, Company Secretary will be the Secretary of the Committee.

The balance that was available and carried over for the financial year 2018-19 of Rs.1.92 lakhs towards CSR activities as mentioned in point No.25 of Board of Directors report and also at annexure 2 of the report which may kindly be referred to for more details.

The company has spent a sum of Rs.0.90 lakhs towards the following activities in the financial year ended 31.03.2019

S.No	Details	Rs. In lakhs
1	Watering of plants and public water supply	0.25
2	Towards medical camp to poor	0.65
Total		0.90
Balance to be carried over to 2019 - 20		1.02

With this the amount that would accrue for the period ended 31.03.2019 will be spent for the current financial year 2019-20 on the projects as per Sch.VII of the Act.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 8th February, 2019, inter alia, to discuss:

- ❖ Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- ❖ Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- ❖ Evaluation of the quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

CAPEX COMMITTEE

The Capex Committee was constituted to review the technical and financial viability of the show room and manufacturing units. The board has approved Capex on manufacturing units and new show room modernisation and other developmental activities.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing obligations and disclosure requirements) Regulation, 2015 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and (do not attract the provisions of Section 188 of the Companies Act, 2013).



To the extent the provisions of section 188 is applicable, we have obtained necessary approvals from the Audit Committee as well as Board as required under the Act and the details of such transactions have been attached in the Directors report at appropriate place.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

DISCLOSURES

Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (Ind AS) 24 issued by the Institute of Chartered Accountants of India has been reported in the Notes to the Accounts. There is no transaction of a material nature with any of the related parties which is in conflict with the interests of the Company. web link for related party transaction policy - www.thangamayil.com.

Proceeds from public issues, right issues, preferential issues

During the year, the Company did not raise capital through public, rights and/or preferential issue.

Details of non-compliance by the Company, penalties imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

There was no such instance of non-compliance during the last three years.

Management

i) The Management Discussion and Analysis Report forms a part of the Annual Report and is in accordance with the requirements laid down in SEBI (Listing obligations and disclosure requirements) Regulation, 2015.

ii) No material transaction was entered into by the Company with the Promoters, Directors or the Senior Management that may have a potential conflict with the Company's interests.

All mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of the report.

Code of Conduct

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website www.thangamayil.com. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

Postal ballots

For the year ended March 31, 2019, there were no ordinary or special resolutions that need to be passed by our shareholders through a postal ballot.

**MEANS OF COMMUNICATION TO SHAREHOLDERS**

The board believes that effective communication of information is an essential component of corporate governance. The Company has started regularly interacting with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

Quarterly results:

The unaudited quarterly financial results of the Company will be published in English and vernacular newspapers. These are not sent individually to the shareholders.

Newspapers wherein results are normally published

The results are normally published in any one of the English newspapers viz. Business Line, The Hindu, Indian Express, and in a Tamil viz., Dinamalar, DhinaThanthi and DhinaMani.

Website:

The company has in place a web site addressed as www.thangamayil.com. In terms of the Listing Agreement pertaining to electronic data information filing and retrieval, the financial results and the quarterly distribution schedules as filed with the Stock Exchanges. These details are also published in the Company's website. The Company makes use of its website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

Share Transfer Agent (STA) and share transfer system:

With a view to rendering prompt and efficient service to the shareholders, M/s. SKDC Consultants Limited, Coimbatore which has been registered with SEBI as share transfer agents in Category I, has been appointed as the share transfer agent of the Company (STA). The shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments.

All matters connected with the share transfer both physical and electronic, dividends and other matters are handled by the STA located at the address mentioned elsewhere in this report.

Pursuant to SEBI (Depositories and Participants) Regulations, certificates have also been received from a statutory auditor of the company for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

The Company, as required under Listing Agreement, has designated the following e-mail ID, namely companysecretary@thangamayil.com for the purpose of registering complaints, if any, by the shareholders and expeditious redressal of their grievances.

Shareholders are, therefore, requested to correspond with the STA for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend etc. at their address given in this report.

Dematerialisation of shares and liquidity:

TMJL shares are tradable compulsorily in electronic form and, through M/s. SKDC Consultants Limited, Registrars and Share Transfer Agents; we have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at March 31, 2019, 100% of our shares were held in dematerialized form and the rest in physical form.

Category	Number of Shares	% of Total Equity
NSDL	1,24,75,944	90.94 %
CDSL	12,43,638	9.06%
Total	1,37,19,582	100.00%

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

**Manufacturing & Show Room Locations:**

- Madurai (Show Room , Head Office and Manufacturing) , Coimbatore (Manufacturing) and Salem (Silver Manufacturing unit)

Branches List**Madurai**

Nethaji Road, Madurai
Annanagar, Madurai

Virudhunagar

Virudhunagar
Rajapalayam
Sivakasi
Aruppukottai

Dindigul

Dindigul
Palani
Ottanchathiram
Batalagundu

Theni

Theni
Cumbum

Sivagangai

Sivagangai
Karaikudi

Ramnad

Ramnad

Tirunelveli

Tirunelveli
Tenkasi
Valioor
Sankarankoil
Thisyanvilai

Tuticorin

Tuticorin
Kovilpatti
Eral

Coimbatore

Coimbatore
Pollachi

Tirupur

Tirupur
Dharapuram
Udumalpet

Erode

Gopichettipalayam

Salem

Salem

Namakkal

Namakkal

Dharmapuri

Dharmapuri

Krishnagiri

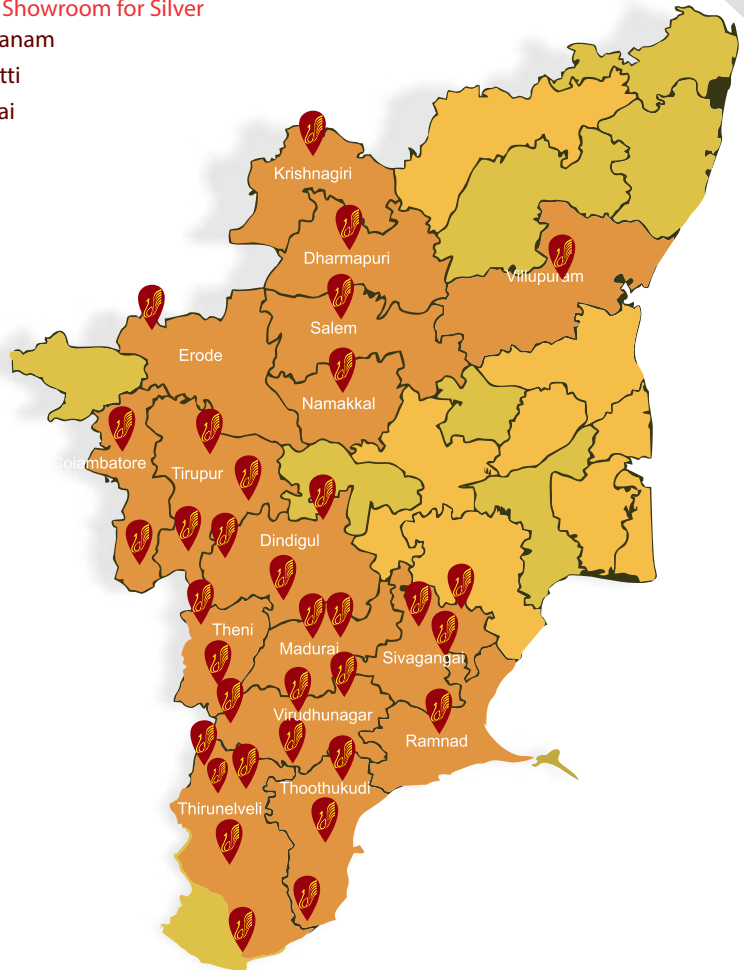
Krishnagiri

Villupuram

Villupuram

Exclusive Showroom for Silver

Tiruppuvanam
Usilampatti
Devakottai
Sattur

**Address for investor correspondence:**

(i) For transfer / dematerialisation of shares
Payment of dividend on shares and any other
relating to the shares of the Company.

(ii) For any query on annual report

(iii) For investors grievance & general correspondence

S.K.D.C. Consultants Limited,

Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy,
Coimbatore -641 006.

Tel: 0422 -4958995

Fax: 0422 -2539837

Shri. V. Vijayaraghavan

Company Secretary
Mobile :9894149200

companysecretary@thangamayil.com



GENERAL SHAREHOLDER INFORMATION

Request to Shareholders:

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in shares of the Company.

Demat of Shares:

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the depository participants (DPs) to avoid any possibility of loss, mutilation etc. of physical share certificates and also to ensure safe and speedy transaction in securities.

Registration of Electronic Clearing Service (ECS) Mandate:

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge their new specimen signature, duly attested, by a bank to the STA.

As a responsible corporate citizen, the Company welcomes and supports the '**Green Initiative**' taken by the Ministry of Corporate Affairs, Government of India (MCA), enabling electronic delivery of documents including the Annual Report / Notices etc. to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with M/s. SKDC Consultant at Coimbatore, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

Consolidation of Multiple Folios:

Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

Registration of Nominations:

Nomination in respect of shares - Section 72 (1) of the Companies Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will etc.

It would, therefore, be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in form 2B. This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.

Updating of address:

Shareholders are requested to update their address registered with the Company, directly through the STA located at the address mentioned above, to receive all Communications promptly.

Shareholders, holding shares in electronic form, are requested to deal only with their depository participant (DP) in respect of change of address and furnishing bank account number, etc.

SMS Alerts:

Investors are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited



(CDSL) have announced the launch of SMS alert facility for demat account holders whereby Shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository Participants (DPs). No charge will be levied by NSDL / CDSL on DPs providing this facility to investors. This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.

Timely encashment of dividends:

Member can claim unpaid dividend from the company before transfer to the Investor Education and Protection Fund.

As required by SEBI, Shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Annual General Meeting:

Date	Time	Venue
1st August 2019	11.45 AM	Tamilnadu Chamber Of Commerce & Industry, 178B, KamarajarSalai, Madurai – 625 009

Financial Year: 1st April 2019 to 31st March 2020

Financial calendar (Tentative and subject to change):

Financial reporting for the quarter ending:	
30th June 2019	Before 10th August 2019
30th September 2019	Before 12th November 2019
31st December 2019	Before 14th February 2020
31st March 2020	between 6th May and 27th May 2020

Date of Book Closure

26th July 2019 to 1st August 2019 (both days inclusive)

Particulars of dividend payment:

Dividend of ₹ 3.50/- per share for the year ended 31st March 18 amounting to a sum of ₹ 579 lakhs including dividend distribution tax was paid.

Listing on Stock Exchanges:

The equity shares of the company are listed at The BSE Limited, and National Stock Exchange of India Limited, Mumbai. The Listing Fee has been paid up to date, to both the above Stock Exchanges.

Stock Code / Symbol:

BSE Limited

Code No. **533158**

National Stock Exchange of India Limited

Code No. **THANGAMAYL**

**The particulars of payment of statutory auditors' fees, on consolidated basis are given below:**

Particulars	Amount in Lakhs
For Statutory Audit	12.00
For Tax Audit	5.00
For Limited Review	4.95
For Certification Work etc.,	2.00
Total	23.95

OTHER DISCLOSURES:

Particular	Regulations	Details	Website link for details / Policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year that have conflict with interest of the company. Transactions entered into with related party during the financial year were in the ordinary course of business and at arms' length basis and were approved by the audit committee. The Boards approved policy for related party transactions is uploaded in the website of the company.	https://www.thangamayil.com/blogging/wp-content/uploads/2019/06/Related-Party-transactions-policy.pdf
Details of non-compliance by the Company, penalty, strictures imposed on the company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (C) 10(b) to the SEBI Listing Regulations	Nil	-
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company	https://www.thangamayil.com/blogging/wp-content/uploads/2019/06/Whistle-Blower-Policy.pdf
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	- The auditors' report on financial statements of the Company are unqualified. - Internal auditors of the Company, make quarterly presentations to the audit committee on their reports.	-



Particular	Regulations	Details	Website link for details / Policy
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No.D&CC/FITT/ Cir-16/2002 Dt. December 31, 2002.	Reconciliation of Share Capital Audit Report duly verified by our Statutory Auditor is being submitted to the Stock Exchanges on quarterly basis.	-
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a certificate by the Chairman and Managing Director of the Company.	https://www.thangamayil.com/blogg/wp-content/uploads/2019/06/Code-of-conduct.pdf
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	Regular Annual Dividend is being declared and recommended by the board to the shareholders of the company on a regular basis.	-
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	https://www.thangamayil.com/blogg/wp-content/uploads/2019/06/Code-for-independent-directors.pdf
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	The independent directors are imparted familiarization program regarding the industry scenario, competition, business risk-vis-à-vis government regulation and other factor relating to growth and risk components are explained to them in detail.	https://www.thangamayil.com/corporate/investor-relationship/reports/

Transfer of unclaimed / unpaid dividend / shares to the Investor Education and Protection Fund.

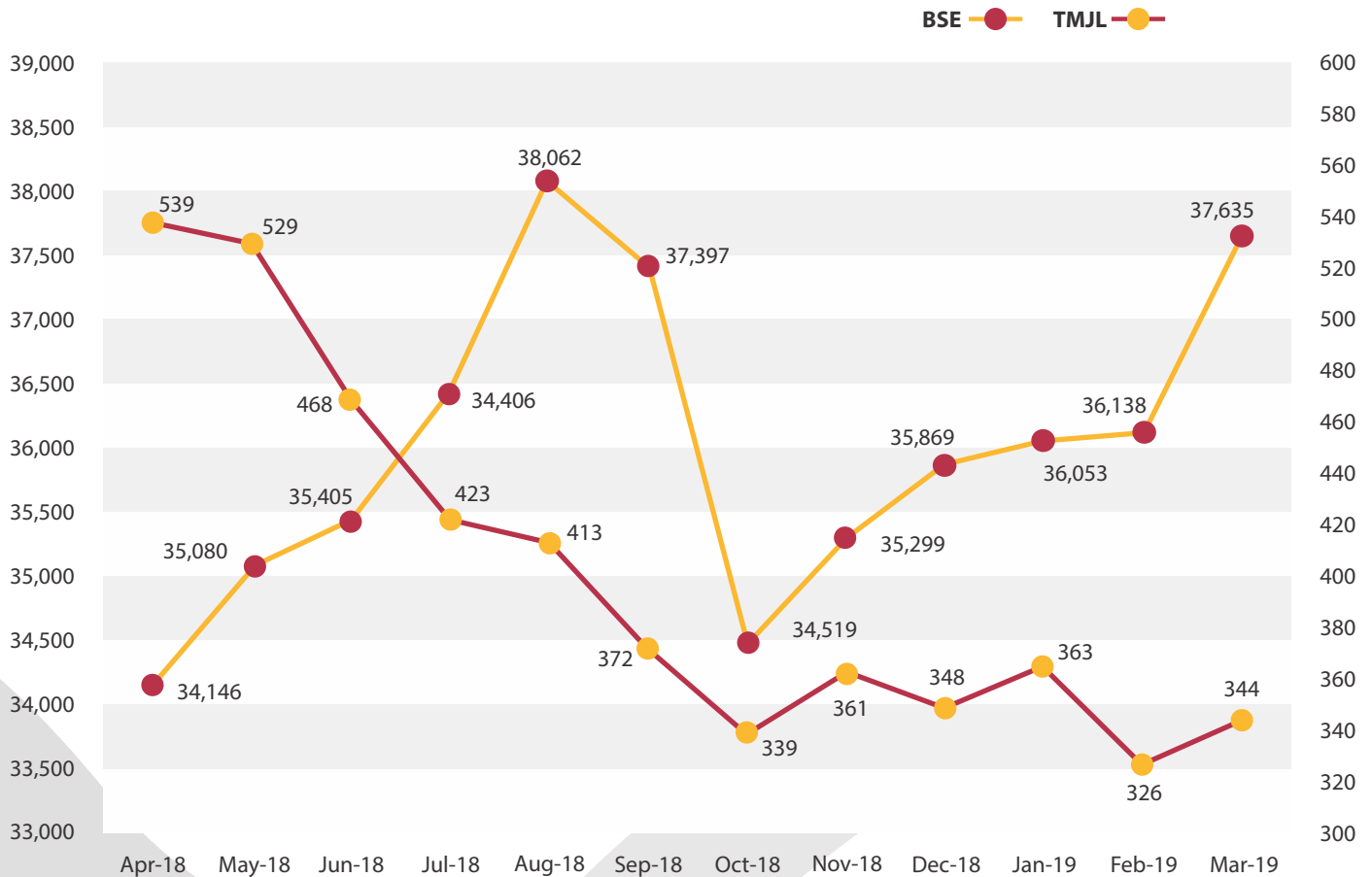
U/s. 124 and 125 of the companies act 2013 & IEPF rules the company has remitted following amounts to IEPF account

Financial Year	Amount of Unclaimed Dividend Transferred Rs. in Lakhs	Number of Shares transferred
2011	2.18	-
2012	1.19	23
Total	3.37	23

Details are displayed in the web-link <https://www.thangamayil.com/corporate/investor-relationship/iepf/> of the company. The shareholders may claim the same from IEPF authorities by filing form No. IEPF 5 available on the website www.iepf.gov.in

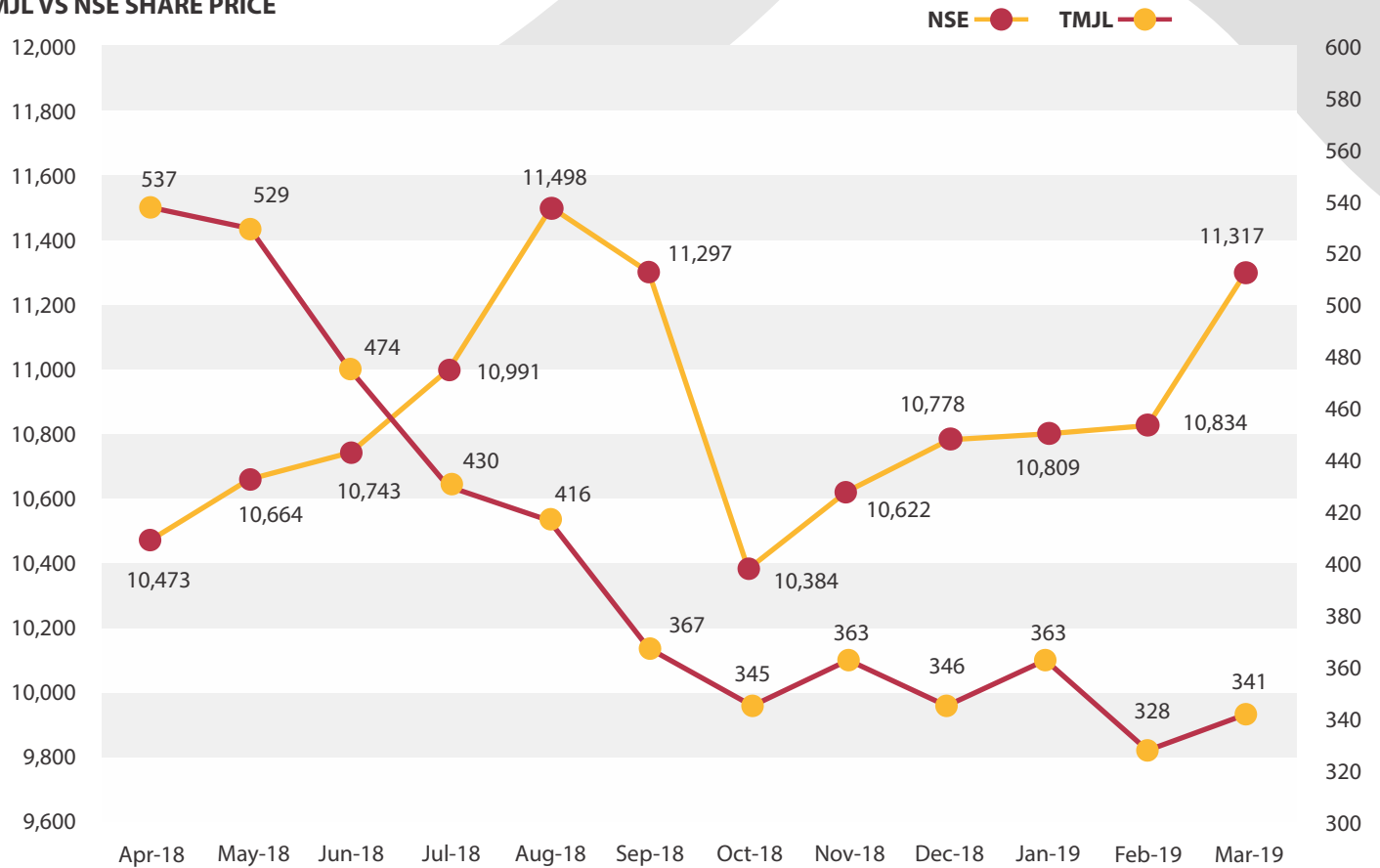
**Stock Market Data- High and Low Quotations of equity shares for 2018-2019**

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-18	573	509	573	502
May-18	578	496	580	499
Jun-18	508	428	514	445
Jul-18	460	392	465	406
Aug-18	450	385	453	388
Sep-18	405	298	396	306
Oct-18	419	295	417	290
Nov-18	420	341	399	345
Dec-18	390	320	388	315
Jan-19	394	342	399	342
Feb-19	377	303	366	308
Mar-19	358	335	365	321

TMJL VS BSE SHARE PRICE



TMJL VS NSE SHARE PRICE



Distribution of Share Holding as on 31st March, 2019

S.No	Range of Shares(in ₹)	Number of share holders	No. of Shares Held	% to total Shares
1	2	3	4	5
1	1 to 5,000	3,835	3,13,134	2.28
2	5,001 to 10,000	235	1,72,947	1.26
3	10,001 to 20,000	266	4,01,490	2.93
4	20,001 to 30,000	69	1,69,864	1.24
5	30,001 to 40,000	44	1,53,198	1.12
6	40,001 to 50,000	35	1,59,786	1.16
7	50,001 to 100,000	58	4,00,955	2.92
8	100,001 and above	77	1,19,48,208	87.09
Total		4,619		100.00%



Pattern of Share holdings as on 31st March, 2019

Category Code	Category of Shareholder	Share Holding details			Shares Pledged or Otherwise encumbered	
		Total Number of Shares	Number of shares held in dematerialized form	As a % of (A+B)	Number of Shares	As a % of (7)/(4)* 100
1	2	3	4	5	6	7
(A)	Shareholding of Promoter and Promoter Group					
(1)	Indian Promoters	91,17,776	91,17,776	66.46%	17,11,780	18.77%
(2)	Foreign Promoters	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	91,17,776	91,17,776	66.46%	17,11,780	18.77%
(B)	Public shareholding					
(1)	Institutions					
(a)	Indian Institutions	8,25,312	8,25,312	6.02%	Nil	Nil
(b)	Foreign Institutions	52,144	52,144	0.38%	-	-
	Sub-Total (B)(1)	8,77,456	8,77,456	6.40%	Nil	Nil
(2)	Non-institutions					
(a)	Bodies Corporate	9,28,699	9,28,699	6.77%	N.A.	N.A.
(b)	Individual Share Holders	27,28,841	27,28,841	19.89%	N.A.	N.A.
(c)	Individual NRI / Foreign Nationals	66,787	66,787	0.49%	N.A.	N.A.
(d)	Shares held by IEPF Authorities	23	23	0.00%	N.A.	N.A.
	Sub-Total (B)(2)	37,24,350	37,24,350	27.14%	N.A.	N.A.
	Total Public Shareholding (B)= (B)(1)+(B)(2)	46,01,806	46,01,806	33.54%	N.A.	N.A.
	TOTAL (A)+(B)	1,37,19,582	1,37,19,582	100%	N.A	N.A
(C)	Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil	Nil
	GRAND TOTAL (A)+(B)+(C)	1,37,19,582	1,37,19,582	100%	17,11,780	12.48%

**GENERAL BODY MEETINGS**

Locations and time of General meetings

Date	Year	AGM	Time	Venue
27/07/2016	2015-16	16th	11.45 AM	Tamilnadu Chamber of Commerce & Industry, No.178B, Kamarajar Salai, Madurai – 625 009
26/07/2017	2016-17	17th	11.45 AM	Tamilnadu Chamber of Commerce & Industry, No.178B, Kamarajar Salai, Madurai – 625 009
01/08/2018	2017-18	18th	11.45 AM	Tamilnadu Chamber of Commerce & Industry, No.178B, Kamarajar Salai, Madurai – 625 009

The following are the Special Resolutions passed at the General Meetings held in the past 3 years:

AGM/EGM Held on	Summary
Nil	Nil

Top Ten Ordinary Shareholders of the Company as on 31st March, 2019

S.No	Name of the Shareholder	No of Shares held	% of holding
1	Ba.Ramesh	27,04,196	19.71%
2	Bala Rama Govinda Das	26,79,439	19.53%
3	N.B. Kumar	26,63,546	19.41%
4	SBI Magnum Balanced Fund	8,17,000	5.95%
5	Thangamayil Gold And Diamond Private Limited	7,01,671	5.11%
6	Balusamy Silvears Jewellery Private Limited	2,25,371	1.64%
7	Luxmi Township Limited	1,50,097	1.09%
8	Aadi Financial Advisors LLP	1,48,828	1.08%
9	Infina Finance Private Limited	1,21,955	0.89%
10	Anshul Saigal	1,16,914	0.85%

COMPLIANCE WITH NON-MANDATORY DISCLOSURES

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

The Board:

As the Company has the Executive Chairman, the implementation of this non-mandatory requirement does not arise.

The tenure has been fixed for five years for Independent Directors under the Companies Act, 2013.

Remuneration Committee:

Details are given under the heading 'Remuneration Committee'.

Shareholder rights:

The Quarterly results of the Company are published in its website www.thangamayil.com. The results are not sent to the shareholders individually.

**Audit qualifications:**

The Company endeavours to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2019.

Training of Board Members

The present board consists of well-experienced and responsible members of society. All the directors are well aware of business model as well as the risk profile of the business parameters of the Company and their responsibilities as directors. Hence, in the opinion of the board, they do not require any further training.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy as a mechanism for employees to report to the management concern about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct and it affirms that no personnel have been denied access to the Audit Committee. A copy of Whistle Blower Policy has been placed at our website at www.thangamayil.com for reference.

Corporate Social Responsibility Policy

The Company has adopted Corporate Social Responsibility Policy (CSR) to lay down guidelines for Corporate Social Responsibility activities of the Company. The policy is to align its philosophy to initiate measures and peruse socially useful programs with the objectives and activities of CSR envisaged and incorporated in the companies Act, 2013 and the rules made there under. A copy of **CSR Policy** has been placed at our website at www.thangamayil.com for reference.

Policy on Materiality of Related party transaction and manner of dealing with related party transactions

The Company recognizes that related party transactions can present potential or actual conflict of interest and may raise questions about whether such transactions are in the best interest of the company and the stake holders. The Company must specifically ensure that certain related party transactions are managed and disclosed in accordance with strict legal and accounting requirements to which the company is subject to. Therefore this policy regarding the review and approval of related party transactions has been adopted duly approved by the company's board of directors in order to set forth the procedures under which transactions must be reviewed and approved or ratify. A copy of policy on materiality of Related Party Transactions has been placed at our website at www.thangamayil.com for reference.

DECLARATION PURSUANT TO REGULATION 27 OF SEBI (LODR) LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF BUSINESS CONDUCT AND ETHICS.

We have examined the compliance of condition of Corporate Governance of M/s. Thangamayil Jewellery Limited for the year ended 31st March, 2019 as stipulated in Regulation 27 of SEBI (LODR) of the Listing Agreement of the said company with Stock Exchanges.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the officials of the company we hereby declare that we are in compliance with the conditions of Corporate Governance applicable provisions to us and as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

Certify that:

- ❖ We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be mis-leading;
 - These statements together present a true and fair view of the Company's Affairs and are in compliance with accounting standards, applicable law and regulations.



- ❖ To the best of our knowledge and belief, there are no transactions entered in to by the company during the year, which are fraudulent, illegal or violated to the Company's code of conduct.
- ❖ We accept responsibility for establishing and maintaining internal control for financial reports and that we have evaluated the effectiveness of the internal control systems of the company for financial reports and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
 - We have indicated to the Auditors and the Audit Committee:
 - Significant changes in the internal controls over financial reporting during the year.
 - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and Instances of significant fraud of which we have become aware and the involvement therein, of any employee having a significant role in the company's internal control system of our financial reporting.

For Thangamayil Jewellery Limited**BALARAMA GOVINDA DAS****Managing Director****Ba. RAMESH****N.B. KUMAR****Joint Managing Directors**

Place : Madurai

Date : May 22, 2019

ANNUAL DECLARATION OF CODE OF CONDUCT BY MANAGING DIRECTOR

This is to confirm that the Board has laid down a code of conduct for all the Board members and senior management of the company. It is further confirmed that all directors and senior management of the company have affirmed compliance with the code of conduct of the company for the year ended 31st March 2019 as envisaged in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

Place : Madurai

Date : May 22, 2019

For Thangamayil Jewellery Limited**Balarama Govinda Das****Managing Director****CONFIRMATION REGARDING INDEPENDENT DIRECTORS:**

This is to confirm that in the opinion of the Board, The independent directors fulfill the conditions specified in these regulations and are independent of the management.

Place : Madurai

Date : May 22, 2019

For Thangamayil Jewellery Limited**Balarama Govinda Das****Managing Director**

**Auditors' certificate on compliance of the provisions of the Code of Corporate Governance in the Listing Agreement.****To****The Members of Thangamayil Jewellery Limited,****Madurai**

We have examined the compliance of conditions of Corporate Governance by Thangamayil Jewellery Limited, Madurai – 625 001 for the year ended 31st March 2019, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Srinivas & Padmanabhan**Chartered Accountants****Firm's Registration Number:0040215****K.M.Padmanabhan**

Partner

M.No:026594

Place : Madurai

Date : May 22, 2019

**INDEPENDENT AUDITOR'S REPORT****To The Members of M/s. Thangamayil Jewellery Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of M/s. Thangamayil Jewellery Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

S.No	Key Audit Matter
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.



S.No	Auditor's Response
1	PRINCIPAL AUDIT PROCEDURES We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accountings standard. • Selected a sample of transactions, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re performance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to Transactions and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Selected a sample of Transactions and performed the following procedures: – Read, analyzed and identified the distinct performance obligations in these Transactions. – Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the transaction to determine the price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Samples in respect of revenue recorded for materials were tested using a combination of approved value of materials including customer acceptances and disputes. • Sample of revenues disaggregated by type and materials and products offerings was tested with the customer's acceptances. • Performed analytical procedures for reasonableness of revenues disclosed by type and product offerings. We reviewed the collation of information used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

2. Key Audit Matter

Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

Auditor's Response

Principal Audit Procedures

Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputed taxes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

Information Other than the Ind AS Financial statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business



Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS Financial statements and our auditor's report thereon. Our opinion on the Ind AS Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Ind AS Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 Ind AS Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Ind AS Financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial statements:

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ 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 Ind AS 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 Ind AS Financial statements, including the disclosures, and whether the Ind AS Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS 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:

- ❖ As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ❖ As required by Section 143(3) of the Act, based on our audit we report that:
 - 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - In our opinion, the aforesaid Ind AS Financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section



197(16) of the Act, as amended : In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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, as amended in our opinion and to the best of our information and according to the explanations given to us :
 - ✦ The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial statements.
 - ✦ The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - ✦ There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Srinivas & Padmanabhan**

Chartered Accountants,

F.Reg No: 0040215

K.M.Padmanabhan

Partner

M.No: 026594

Place : Madurai

Date : May 22,2019

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Thangamayil Jewellery limited of even date)

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the company and no material discrepancies were noticed on such verification. In our opinion, frequency of verification is reasonable, having regard to the size of the company and nature of business.
- (c) According to the information and explanation given to us, and on the basis of our examination of the records of the company, the title deeds of immovable properties of the Company are held in the name of the Company.
- ii) (a) The inventories have been physically verified at reasonable intervals during the year by the management, including inventory given to third parties / gold smiths on job work basis. In our opinion the frequency of such verification is adequate.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company has maintained proper records of inventory. We are informed that no major discrepancies were noticed on verification between the physical stock and book records.
- iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub Clause (a),(b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans given and investment made. Further, there are no guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable.
- v) The Company has complied with the provision of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to deposits accepted from public. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this matter and no order has been passed by any of the aforesaid authorities.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the products manufactured by the Company.
- vii) (a) According to the records provided to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to the Company.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31st March 2019 for a period of more than six months from the date they become payable.
- b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax value added tax and GST have not been deposited by the Company on account of disputes;



Name of the Statute	Nature of Dues	₹ Lakhs	Period to which the amount relates	Forum where disputes is pending
Tamil Nadu Value Added Tax 2006	Disallowance of Input tax, disputes related classification of sale of Goods	49.96	2006 - 07 to 2009 - 10	High Court of Madras and Commissioner (Appeals) of Sales Tax
Customs Act , 1962	Customs Duty	154.00	2011-12	High Court of Madras
Income Tax Act, 1961	Disallowance u/s 35D	55.32	2010 -11 to 2014 -15	Commissioner of Income Tax (Appeals I)

viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders. There were no debenture holders at any time during the year.

ix) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion, the company is not a Nidhi Company. Therefore the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order , 2016 are not applicable to the Company.

xiii) In our opinion, all transactions with the 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 as required by the applicable accounting standards.

xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Srinivas & Padmanabhan**

Chartered Accountants,

F.Reg No: 004021S

K.M.Padmanabhan

Partner

M.No: 026594

Place: Madurai

Date : May 22, 2019

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls over financial 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 Thangamayil Jewellery Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date which includes a jointly controlled operation.

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 (the " Guidance Note") 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 issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 to the best of our information and according to the information given to us 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 31 March 2019, 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 issued by the Institute of Chartered Accountants of India.

For Srinivas & Padmanabhan

Chartered Accountants,

F.Reg No:004021S

K.M.Padmanabhan

Partner

M.No:026594

Place :Madurai

Date :May 22, 2019


BALANCE SHEET

(₹ in lakhs)

Particulars	Notes	As at 31 st March 2019	As at 31 st March 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	6,948.71	7,188.56
(b) Capital work-in-progress	2.1	119.40	86.90
(c) Intangible assets	3	144.77	231.46
(d) Financial assets			
(i) Other financial assets	4	40.30	41.39
(e) Other non-current assets	5	1,069.57	976.33
Total Non-Current Assets		8,322.75	8,524.65
Current Assets			
(a) Inventories	6	50,404.07	47,589.73
(b) Financial assets			
(i) Trade receivables	7	216.65	130.10
(ii) Cash and cash equivalents	8	894.32	367.69
(iii) Bank balances other than (ii) above	9	4,310.45	2,819.95
(iv) Other financial assets	10	34.27	37.50
(c) Current Tax Assets(net)	11	630.05	1,278.15
(d) Other current assets	12	435.84	311.82
Total Current Assets		56,925.65	52,534.94
TOTAL ASSETS		65,248.40	61,059.59
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	1,371.96	1,371.96
(b) Other equity	14	17,946.74	15,500.68
Total Equity		19,318.69	16,872.64
Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	3,831.36	3,062.44
(b) Deferred Tax Liabilities (net)	16	106.61	158.90
Total Non-Current Liabilities		3,937.97	3,221.34
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	11,568.06	15,966.66
(ii) Trade payables	18	7,465.54	5,844.21
(iii) Other financial liabilities	19	2,580.40	4,290.55
(b) Other current liabilities	20	20,377.73	14,864.19
Total Current Liabilities		41,991.73	40,965.61
TOTAL LIABILITIES		45,929.71	44,186.95
TOTAL EQUITY AND LIABILITIES		65,248.40	61,059.59

The accompanying notes forms an integral part of the standalone financial statements

For **Srinivas & Padmanabhan**
Chartered Accountants
Firm's Registration No: 0040215

K.M.Padmanabhan
Partner
M.No.026594

Place - Madurai
Date - May 22, 2019

For **Thangamayil Jewellery Limited**

Balarama Govinda Das
Ba. Ramesh
N. B. Kumar
S. Rethinavelu
Lalji Vora
V. R. Muthu
Yamuna Vasini Deva Dasi
V. Vijayaraghavan
B. Rajeshkanna

- Managing Director
- Joint Managing Director
- Joint Managing Director
- Independent Director
- Independent Director
- Independent Director
- Director
- Company Secretary
- Chief Financial Officer

DIN : 00266424
DIN : 00266368
DIN : 01511576
DIN : 00935338
DIN : 01899070
DIN : 01908841
DIN : 01388187
DIN : 01334048


STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in lakhs)

Particulars	Notes	For the Year Ended	
		31 st March 2019	31 st March 2018
I Revenue from Operations	21	1,44,335.12	1,37,929.29
II Other Income	22	287.10	155.39
III Total Income (I+II)		1,44,622.22	1,38,084.68
IV Expenses:			
Cost of materials consumed	23	1,28,717.22	1,34,459.22
Purchases of stock-in-trade	24	3,435.82	6,388.88
Changes in inventories of finished goods, work-in- progress and stock-in-trade	25	(3,126.35)	(16,864.51)
Manufacturing Expenses	26	1,261.03	1,127.70
Employee benefits expenses	27	3,538.30	3,197.42
Finance costs	28	2,033.67	1,879.48
Depreciation and amortization expenses	29	759.02	816.52
Other expenses	30	3,449.57	3,686.27
Total Expenses		1,40,068.28	1,34,690.98
V Profit Before Tax (III-IV)		4,553.94	3,393.70
VI Tax Expenses	31		
- Current Tax		1,580.32	394.16
Less : MAT credit entitlement		-	-
- Deferred Tax		(51.97)	712.28
Total Tax Expenses		1,528.35	1,106.44
VII Profit for the Year (V-VI)		3,025.59	2,287.26
VIII Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Re-measurements loss of the defined benefit plans		(0.95)	(18.95)
Deferred tax charges		0.32	5.97
Total other comprehensive income for the year, net of tax		(0.63)	(12.98)
IX Total Comprehensive Income for the Year (VII+VIII)		3,024.96	2,274.28
X Earnings per equity share of Re.10 each			
Basic		22.05	16.58
Diluted		22.05	16.58
Summary of significant accounting policies	1		

The accompanying notes forms an integral part of the financial statements.

This is the profit and loss account referred to in our report of the even date attached

For **Srinivas & Padmanabhan**
Chartered Accountants
Firm's Registration No: 004021S

K.M.Padmanabhan
Partner
M.No.026594

Place - Madurai
Date - May 22, 2019

For **Thangamayil Jewellery Limited**

Balarama Govinda Das
Ba. Ramesh
N. B. Kumar
S. Rethinavelu
Lalji Vora
V. R. Muthu
Yamuna Vasini Deva Dasi
V. Vijayaraghavan
B. Rajeshkanna

- Managing Director
- Joint Managing Director
- Joint Managing Director
- Independent Director
- Independent Director
- Independent Director
- Director
- Company Secretary
- Chief Financial Officer

DIN : 00266424
DIN : 00266368
DIN : 01511576
DIN : 00935338
DIN : 01899070
DIN : 01908841
DIN : 01388187
DIN : 01334048



STATEMENT OF CHANGES IN EQUITY

(A) Equity Share Capital

Particulars	Number of shares	(₹ in lakhs)
Balance as at 31st March 2017	1,37,19,582	1,371.96
Add: Equity shares allotted during the year	-	-
Balance as at 31st March 2018	1,37,19,582	1,371.96
Add: Equity shares allotted during the year	-	-
Balance as at 31st March 2019	1,37,19,582	1,371.96

(B) Other Equity

(₹ in lakhs)

Particulars	Reserve and Surplus				Total
	Securities premium Reserve	General Reserve	Retained earnings	Other Comprehensive Income	
Closing balance as at 31st March, 2017	3,175.80	2,181.95	8,195.55	8.48	13,561.79
Profit for the year	-	-	2,287.26	-	2,287.26
Other comprehensive income for the year, net of income tax	-	-	-	(12.98)	(12.98)
Dividend including dividend distribution tax	-	-	(335.39)	-	(335.39)
Transfer to General Reserve	-	300.00	(300.00)	-	-
Closing balance as at 31st March, 2018	3,175.80	2,481.95	9,847.43	(4.50)	15,500.68
Profit for the year	-	-	3,026	-	3,025.59
Other comprehensive income for the year, net of income tax	-	-	-	(0.63)	(0.63)
Dividend including dividend distribution tax	-	-	(578.91)	-	(578.91)
Transfer to General Reserve	-	325	(325.00)	-	-
Closing balance as at 31st March, 2019	3,175.80	2,806.95	11,969.12	(5.13)	17,946.74

The accompanying notes forms an integral part of the financial statements

For **Srinivas & Padmanabhan**

Chartered Accountants

Firm's Registration No: 0040215

K.M.Padmanabhan

Partner

M.No.026594

Place - Madurai

Date - May 22, 2019

For **Thangamayil Jewellery Limited**

Balarama Govinda Das

Ba. Ramesh

N. B. Kumar

S. Rethinavelu

Lalji Vora

V. R. Muthu

Yamuna Vasini Deva Dasi

V. Vijayaraghavan

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- Managing Director

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DIN : 01334048



STATEMENT OF CASH FLOW

(₹ in lakhs)

Particulars	For the Year Ended	
	31st March 2019	31st March 2018
Cash flow from operating activities		
Net profit before tax	4,553.94	3,393.70
Adjustments for :		
Depreciation and amortization expenses	759.018	816.52
Profit on sale of Property ,plant & equipment	(5.54)	(1.26)
Interest income	(261.83)	(130.73)
Interest expense	2,033.67	1,879.48
Impairment of assets	13.41	47.15
Operating profit before working capital changes	7,092.68	6,004.86
Movements in working capital:		
(Increase) / Decrease in inventories	(2,814.34)	(16,389.32)
(Increase) / Decrease in trade receivables	(86.55)	(45.08)
Decrease/ (Increase) in Other financials and non-financial assets	(213.88)	99.54
(Decrease)/ Increase in trade payable and other financial and non-financial liabilities	5,424.72	5,703.72
Cash Generated from Operations	9,402.63	(4,626.27)
Income taxes paid	(932.22)	(652.04)
Net cash generated from operating activities (A)	8,470.41	(5,278.31)
Cash flow from investing activities		
Payment for Property ,Plant & Equipment ,Intangible assets including capital Advances	(498.05)	(1,071.22)
Proceeds from sale of Property ,plant & equipment	25.20	7.92
Bank deposits not considered as cash and cash equivalents (net)	(1,490.51)	(1,740.62)
Interest received	261.83	130.73
Net cash used in investing activities (B)	(1,701.53)	(2,673.18)
Cash flow from financing activities		
Proceeds / (Repayment) of borrowings	(4,425.75)	9,628.18
Proceeds / (Repayment) of Other borrowing	796.08	(36.45)
Interest paid	(2,033.67)	(1,879.48)
Dividend paid (including corporate dividend tax)	(578.91)	(335.39)
Net cash used in financing activities (C)	(6,242.25)	7,376.86
Net increase in cash and cash equivalents(A+B+C)	526.63	(574.63)
Cash and cash equivalents - opening balances	367.69	942.33
Cash and cash equivalents at the end of the year	894.32	367.69
Components of cash and cash equivalents		
Cash on hand	694.71	298.49
Balance with Banks		
On Current Account	199.62	69.21
Total cash and cash equivalents	894.32	367.69

Notes: 1. The cash flow statement is prepared using the "indirect method" set out in IND AS 7 - Statement of Cash Flows.

The accompanying notes forms an integral part of the financial statements

For **Srinivas & Padmanabhan**

For **Thangamayil Jewellery Limited**

Chartered Accountants

Firm's Registration No: 0040215

K.M.Padmanabhan

Partner

M.No.026594

Place - Madurai

Date - May 22, 2019

Balarama Govinda Das

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BACKGROUND

Thangamayil Jewellery Limited (the 'Company') is a company domiciled in India, with its registered office situated No.124, Nethaji Road, Madurai – 625 001, Tamilnadu, India. The Company has been incorporated under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and BSE Limited in India. The Company is primarily involved in manufacturing and sale of Jewellery and other accessories and products.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

(i) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013.

(ii) Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

- a) Defined Employee benefit Plans – Plan assets are measured at fair value.
- b) Certain financial assets and liabilities

(iii) Use of Estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimates and assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(iv) Revenue Recognition

Sales are recognized when goods are supplied and are recorded at net realizable value excluding GST and other statutory levies.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Other income is recognized on certain confirmed transactions of cessation of old entries liabilities in the case of advances from customer category.

(v) Inventories

Inventories including company's stock held with goldsmiths are valued at lower of cost or net realizable value. The cost of raw material inventories is computed on a FIFO basis. The cost of finished goods and work in progress includes cost of conversion and other cost incurred in bringing the Inventories to their present location and condition.

Cost is generally determined on FIFO basis and wherever required, appropriate direct on cost are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Hedging mechanism of entering into forward contract against appropriate underlying assets is primarily used by the company to hedge the price fluctuation exposure of those underlying assets. The fair value adjustment arising out of such transactions is forming part of cost of assets procured.

Packing materials and Gift items are valued at cost on FIFO basis.

**(vi) Property, Plant and Equipment**

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets.

Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Fixed Assets is provided at rates as prescribed under the Companies Act, 2013 on the following basis:

S.No	Asset Class	Useful life of assets
i.	<u>Straight Line basis</u>	
	↳ Building	60 Years
	↳ Plant & Machinery	15 Years
	↳ Furniture and Fittings	10 Years
	↳ Office Equipment	15 Years
ii.	<u>Written Down Value basis</u>	
	Vehicles	
	↳ Motor Car	8 Years
	↳ Two Wheelers	10 Years
	Computers	
	↳ Hardware	3 Years
	↳ Software	6 Years

(vii) Capital work in progress

Capital work in progress includes, cost of assets not yet commissioned, and incidental expenses during the construction period. Certain directly attributable pre-operative expenses during construction period are included under Capital Work in Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

(viii) Borrowing cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets till such time the assets is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the year in which they are incurred.

(ix) Foreign Exchange Transactions

Transactions in foreign currency are recorded at the rate prevailing on the date of transactions. Foreign currency Assets and Liabilities are stated at the rate of exchange prevailing at the balance sheet date and the resultant gains/losses are charged to the profit and loss account.

Premium/Discount in respect of foreign exchange contract is amortized as Income/Expense over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward contracts is recognized as Income/Expense for the period. Exchange difference arising on settlement or restatement of foreign currency denominated liability is recognized in the profit & loss a/c.

**(x) Retirement Benefits****i. Defined Contribution Plan**

Company's contribution paid/payable during the year to Provident Fund etc., are recognized in the Profit and Loss Account. These are approved/recognized scheme of the Company.

ii. Defined Benefit Plan

Annual Company's liability towards Gratuity is funded on the basis of actuarial valuation furnished by the Life Insurance Corporation of India under Group Gratuity Scheme.

iii. The company does not provide leave encashment and carry forward of accumulated leave to next year to its employees.

(xi) Leases**a) Financial Lease**

Assets acquired under Leases, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b) Operating Lease

Assets acquired as leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis.

(xii) Intangible Fixed Assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are amortized over their respective estimated useful lives on a Written down value basis, from the date that they are available for use.

(xiii) Expenses

- a) All expenses including interest and finance charges are accounted for on accrual basis.
- b) Prior period items, if material, are disclosed separately.

(xiv) Research and Development

Expenditure incurred during research and development phase is charged to revenue when no intangible asset arises from such research. Assets procured for research and development activities are generally capitalized.

(xv) Redemption of Customer Loyalty Points

The un-availed Customer Loyalty Points lying in the Value card has been provided as a liability and the amount redeemed during the year is charged to Profit & Loss A/c in the respective years of redemption. Redemption of customer loyalty points costs are accrued in the year of sales of products based on past experience.

(xvi) Advance from Customers

Amounts collected as advances from customers have been recognized as a liability in the year of collection. The accumulated amount along with applicable bonus amount is redeemed in the form of Jewellery. The bonus or obligations arising out of these transactions are accounted for in books on accrual basis on a consistent basis.

The Company is collecting money from its customers on advance basis by extending easy payment scheme, and offers in return gold ornaments at the rate prevailing on the date of redemption (which is less than twelve months from the date of original entry date) without any charges towards making and wastage cost. The concession if any will be accounted in the year in which it is redeemed as discount to sales realization.



The company is accepting old gold from its customers to be exchanged for new gold ornaments within a period of twelve months without any charges for making such ornaments.

The Company is operating a scheme by which customer fixes the gold price to the extent of amount paid on the date of remittance. The liability that would arise to the company due to adverse price fluctuations if any or the benefits that would arise due to favourable price marked to market as on the last date of financial year will be dealt with accordingly in the books on the year in which such transactions were put through.

(xvii) Gold Metal Loan

The company has an arrangement with its banker for lifting gold under metal loan terms against a limit under “price unfixed basis” and opts to fix the price for gold taken under loan within 180 days at delivery. However, based on business expediencies the company fixes the price within 180 days, whenever the price is favorable and carried the transaction under the forward cover to be settled for payment of money on the specified date. The price difference arising out of such transactions is accounted in the head of cost of sales and adjusted accordingly. The interest if any payable to bankers on such outstanding is treated as expenses on accrual basis.

The outstanding metal loan position if any as on reporting date is marked to market and the resulting difference if any is adjusted to the notional purchase account and the value as on that date is adjusted as cost for inventory valuation consideration.

(xviii) Taxes on Income

Tax expense comprises of current income and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income -Tax Act, 1961.

Minimum alternate tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax: Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(xix) Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.



Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

(xx) Provisions, Contingent Liabilities

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable. Contingent liabilities are disclosed by way of Notes to the accounts in respect of obligation where, based on the evidence available, their existence at the balance sheet date is considered not probable. Contingent assets are not recognized in the accounts.

(xxi) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

1) Non-derivative Financial assets:

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in market place.

2) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit and loss.

3) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets



measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Financial liabilities

1) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2) Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/other expenses' line item.

3) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.



(₹ in lakhs)

Note 2 - Property, Plant and equipment

Particulars	Freehold land	Leasehold land	Buildings (Owned)	Buildings (On leasehold)	Plant & equipment (Owned)	Furniture and fixtures	Vehicles	Computer Hardware	Tangibles Total
At 31 March 2017	2,276.55	-	1,241.25	103.82	1,300.85	3,883.28	370.74	1,220.12	10,396.61
Additions	332.99	-	49.07	4.37	182.58	292.62	111.66	56.44	1,029.74
Deductions	-	-	-	-	-	101.18	30.62	-	131.80
Other adjustments (refer note c below)									
At 31 March 2018	2,609.54	-	1,290.33	108.19	1,483.44	4,074.72	451.78	1,276.56	11,294.56
Additions	-	-	17.17	2.08	137.61	185.06	26.42	90.86	459.20
Deductions	-	-	-	-	-	36.21	145.06	-	181.26
Other adjustments (refer note c below)									
At 31 March 2019	2,609.54	-	1,307.50	110.27	1,621.05	4,223.57	333.15	1,367.42	11,572.50
Accumulated depreciation and impairment									
At 31 March 2017	-	-	119.85	22.76	410.53	1,638.07	237.89	1,077.87	3,506.96
Depreciation expense	-	-	20.51	1.39	97.04	409.65	46.11	102.32	677.02
Deductions	-	-	-	-	-	54.03	23.96	-	77.98
Other adjustments	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	-	140.37	24.15	507.56	1,993.69	260.04	1,180.18	4,105.99
Depreciation expense	-	-	20.60	1.45	111.68	401.18	56.57	74.52	665.99
Deductions	-	-	-	-	-	22.80	125.39	-	148.19
Other adjustments									
At 31 March 2019	-	-	160.96	25.60	619.24	2,372.07	191.22	1,254.70	4,623.79
Carrying Value									
At 31 March 2019	2,609.54	-	1,146.54	84.68	1,001.81	1,851.50	141.93	112.72	6,948.71
At 31 March 2018	2,609.54	-	1,149.96	84.04	975.88	2,081.03	191.74	96.38	7,188.56
At 31 March 2017	2,276.55	-	1,121.40	81.06	890.33	2,245.21	132.85	142.25	6,889.65

2.1 Capital Work - in Progress Particulars

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	86.90	73.37	121.76
Additions during the year (Net)	32.50	13.53	-
Transfer to property, plant and Equipment	-	-	48.39
Balance at the end of the year	119.40	86.90	73.37

(i) Capital Work in Progress: Capital work in Progress mainly comprising of interiors, building, and other assets still to be put in use and yet to be capitalized.

(ii) Refer to Note : 17 for information on property, plant and equipment pledged as security of the company

**Note 3 - Intangible Assets**

(₹ in lakhs)

Intangibles	Computer software	Intangibles Total (B)
Cost /deemed Cost		
At 31st March 2017	1,058.16	1,058.16
Additions	27.95	27.95
Deductions	-	-
At 31st March 2018	1,086.10	1,086.10
Additions	6.34	6.34
Deductions		
At 31st March 2019	1,092.45	1,092.45
Accumulated amortization and impairment		
At 31st March 2017	715.14	715.14
Additions	139.50	139.50
Deductions		
At 31st March 2018	854.64	854.64
Additions	93.03	93.03
Deductions		
At 31st March 2019	947.68	947.68
Net book value		
At 31st March 2019	144.77	144.77
At 31st March 2018	231.46	231.46
At 31st March 2017	343.01	343.01

Note 4 - Other Financial Assets (Non - Current)

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Deposits with Government / Statutory bodies	40.30	41.39
Total	40.30	41.39

Note 5 - Other Non - Current Assets

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured		
Capital Advances		
Unsecured , Considered good	357.02	283.21
Advance recoverable in cash or kind		
Unsecured , considered good	37.67	37.71
Rental Advances - Unsecured , Considered Good	674.89	655.42
Total	1,069.57	976.33

Long term loans and advances includes a sum of ₹ 46.58 lakhs due from a party and secured by immovable property valued around ₹ 60.00 lakhs for which the company has initiated legal recourse for recovery. Hence being secured no provision is made as in the opinion of directors the amount is fully recoverable.

**Note 6 – Inventories**

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Raw Materials	1,009.94	1,293.16
Work-in-Progress	6,636.90	5,862.36
Finished Goods	42,661.39	40,309.58
Packing Materials and Gift items	95.84	124.63
Total	50,404.07	47,589.73

Mode of Valuation

Inventories including company's stock held with gold smiths are valued at lower of cost or net realizable value. The cost of raw material inventories is computed on a FIFO basis. The cost of finished goods and work in progress includes cost of conversion and other cost incurred in bringing the Inventories to their present location and condition.

Cost is generally determined on FIFO basis and wherever required, appropriate direct on cost are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Hedging mechanism of entering into forward contract against appropriate underlying assets is primarily used by the company to hedge the price fluctuation exposure of those underlying assets. The fair value adjustment arising out of such transactions is forming part of cost of assets procured.

Packing materials and Gift items are valued at cost on FIFO basis.

Financial Assets**Note 7 - Trade receivables**

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	6.27	3.33
- Others	210.38	126.77
Total	216.65	130.10

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. There are no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 8 - Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Balances with banks		
In current accounts	181.06	63.83
In term deposit accounts with maturity less than 3 months at inception		
Cheques on hand	18.56	5.38
Cash on hand	694.71	298.49
Total	894.32	367.69

**Note 9 - Bank Balance other than cash and cash equivalents**

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Earmarked balances		
In Dividend Accounts	7.54	5.48
In term deposit accounts		
with maturity more than 3 months but less than 12 months at inception	1,049.55	653.75
Fixed Deposit / Margin Money Deposit under Lien*	3,253.36	2,160.72
Total	4,310.45	2,819.95

*Margin money deposits given as security against SBLC/ Bank Guarantees

Note 10 - Other Financial Assets (Current)

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured - Advances to Employees	34.27	37.50
Total	34.27	37.50

Note 11 - Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance Payment of Income Tax (Net of Provisions)	630.05	1,278.15
Total	630.05	1,278.15

Note 12 - Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Advance Recoverable in Cash or kind	0.51	3.38
Unsecured, considered good		
Advance to Suppliers/ Expenses	346.24	222.50
Prepaid Expenses	89.09	85.94
Total	435.84	311.82

**Note 13 - Equity share capital**

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Authorised Share Capital:		
200 lakhs (March 31, 2018 : 200 lakhs) Equity Shares of ₹ 10 each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued, subscribed and fully paid up shares		
137.20 lakhs Equity shares (March 31, 2018 : 137.20 lakhs) of ₹ 10 each, fully paid.	1,371.96	1,371.96
Total Issued, subscribed and fully paid up Share Capital	1,371.96	1,371.96

a) Reconciliation of Number of Shares outstanding and amount at the beginning and at the end of the year

Particulars	Numbers
Number of shares at the beginning of the year as at March 31, 2018 (₹1,371.96 lakhs)	13,719,582
As at March 31, 2019 (₹ 1,371.96 lakhs)	13,719,582

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.

c) Information regarding aggregate number of equity shares during the five years immediately preceding the date of Balance Sheet.

The Company has not issued for consideration other than cash and has not bought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

There are no calls unpaid on equity shares and no equity shares have been forfeited.

d) Capital Management

The primary objective of the Company's Capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholders value. The Company makes adjustments to its capital structure based on the business environments and its economic conditions. To maintain/adjust the capital structure the company may make adjustments to dividend paid to its share holders and issue new shares.

The Company monitors capital using the metric of net debt to Equity. Net debt is defined as borrowing less cash and cash equivalents, fixed deposits.



e) Details of shareholders holding more than 5% equity shares in the company

Particulars	As at 31 March 2019	
	No. of shares	% of shares
Equity shares of Rs. 10 each fully paid		
Ba. Ramesh	27.04 lakhs	19.71%
Balarama Govinda Das	26.79 lakhs	19.53%
N.B. Kumar	26.64 lakhs	19.41%
SBI Mutual Fund Group	8.17 lakhs	5.95%
Thangamayil Gold and Diamond Pvt Ltd.	7.02 lakhs	5.11%

Particulars	As at 31 March 2018	
	No. of shares	% of shares
Equity shares of Rs. 10 each fully paid		
Ba. Ramesh	27.03 lakhs	19.70%
Balarama Govinda Das	26.79 lakhs	19.53%
N.B. Kumar	26.63 lakhs	19.41%
SBI Mutual Fund Group	8.17 lakhs	5.95%
Thangamayil Gold and Diamond Pvt Ltd.	7.02 lakhs	5.11%

Note 14 - Other Equity

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Securities Premium Reserve	3,175.80	3,175.80
Balance at the beginning of the year	3,175.80	3,175.80
General Reserve		
Balance at the beginning of the year	2,481.95	2,181.95
Add: Transfer from surplus	325.00	300.00
Balance at the end of the year	2,806.95	2,481.95
Retained earnings		
Balance at the end of the year	11,969.12	9,847.43
Other Reserve		
Other comprehensive income :		
Re-measurement of the net defined benefit plans	(5.13)	(4.50)
Total	17,946.74	15,500.68

**Securities Premium Reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act

General Reserve

General Reserve is the retained earnings of the Company which are kept aside out of the Company's profits to meet used to record future (known or unknown) obligations.

Retained Earnings

Retained earnings comprise of the Company's prior years undistributed earnings after taxes

Distributions made and proposed

The Board of Directors at its meeting held on May 25, 2018 had declared a dividend of ₹ 3.50 per Equity shares of par value of ₹ 10 each and the same was paid during the year ended 31st March 2018. The proposal was approved by shareholders at the Annual General Meeting held on August 1, 2018. This has resulted in a total outflow of ₹ 579 lakhs including corporate dividend tax of ₹ 99 lakhs.

The Board of Directors in its meeting held on May 22, 2019 have proposed a dividend of ₹ 5.00 per Equity shares of par value of ₹ 10 each for the financial year ended March 31, 2019. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on August 1, 2019 and if approved would result in a cash outflow of approximately ₹ 827 lakhs including corporate dividend tax of ₹ 141 lakhs.

Non Current Finance Liabilities**Note 15 - Long term Borrowings**

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Secured		
Hire Purchase Vehicle Loan	46.59	73.75
Unsecured		
Fixed Deposit from Public	2,544.77	1,748.69
Loans from Directors and Others	1,240.00	1,240.00
Total	3,831.36	3,062.44

Vehicle Loan is secured by the respective vehicles

Fixed deposit includes ₹ Nil lakhs (₹ 762.65 lakhs) secured by all movable properties such as furniture, fixtures, computers, Fitting excluding plant and machinery of the company.

₹ 534.55 lakhs (₹ 1212.45 lakhs) Fixed Deposit carry interest @9.50% and are repayable 2 years from the respective years.

₹ 2010.22lakhs (₹ 536.24 lakhs) Fixed Deposit carry interest @10.00% and are repayable 3 years from the respective years.

**Note 16 - Deferred Tax Liabilities / (Assets)**

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Tax Assets		
Disallowance under Section 43B of Income Tax Act, 1961	28.56	38.09
Unabsorbed losses	-	-
	28.56	38.09
Deferred Tax Liabilities		
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of Property, plant and equipment.	135.17	196.98
	106.61	158.90
Deferred Tax Liabilities/ (Assets)		
Opening balance	158.90	(547.41)
Add: Tax Income during the year recognised in profit and Loss	(51.97)	712.28
Add: Tax Income during the year recognised in Other comprehensive Income	(0.32)	(5.97)
Closing balance	106.61	158.90

Current Financial Liabilities**Note 17 - Short term Borrowings**

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
- Cash Credit loan from Banks	3,702.58	5,628.09
- Gold Metal loan from Banks	5,592.53	8,557.17
- Gold Metal loan from Banks against FDs	2,272.96	1,781.40
Total	11,568.06	15,966.66

The above working capital loans extended by multiple banking system are secured by a pari passu charge on stocks and book debts of the company.

The loan extended by banks are further collaterally secured by equitable mortgage of Company's properties in the case of HDFC Bank properties at Trichy, Tuticorin, Madurai and in the case of Karur Vysya Bank property at Oppanakara Street at Coimbatore, Vandiyur at Madurai and in the case Indusind Bank property at Ramnad and in the case of Axis Bank property at Bazaar Street, Salem and in the case of Yes Bank property at Alwarpurnam and in the case Federal Bank property at Nethaji Road, Madurai.

Security for Tamilnadu Mercantile Bank property at Madurai owned by Managing Director of the Company and Karur Vysya Bank loan collaterally secured by property owned by Whole time Director and their close relatives and for Axis Bank loan secured by whole time directors properties at Madurai.

5.99% (5.46 lakhs shares) promoters share holding in the company has been pledged as collateral security for IDBI loan.

3.95% (3.60 lakhs shares) promoters share holding in the company has been pledged as collateral security for Indusind bank loan.

3.29% (3.00 lakhs shares) promoters share holding in the company has been pledged as collateral security for Yes bank loan.

5.54% (5.06 lakhs shares) promoters share holding in the company has been pledged as collateral security for Federal bank loan.

Gold Metal loan from Banks against Fixed deposit of the respective banks.



All the above mentioned collateral securities owned by the company and by the respective whole time directors are given to the respective banks as indicated above are given on exclusive basis and not on a pari passu charge basis and also is in accordance with sanction terms and conditions of the respective banks.

All the above loans are further secured by personal guarantee of whole time of directors of the company.

The cash credit is repayable on demand and carries interest of 9.30% to 11.65% p.a.

The Gold Metal Loan carries interest @ 1.90% to 3.50% p.a.

Note 18- Trade Payables

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
For Goods - Secured	6,588.00	4,928.94
Unsecured	877.54	915.27
Total	7,465.54	5,844.21

Trade Payables includes a sum of ₹ 6588.00 lakhs (Previous year ₹ 4928.94lakhs) as Gold Metal loan availed from Nova Scotia bank, Yes Bank, HDFC Bank, Federal Bank against SBLC guarantee extended by Karur Vysya Bank, and Axis Bank for whom tangible securities were extended as covered under Note.17

Note 19 - Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Current maturities of long-term borrowing	94.71	890.63
Current maturities of finance lease obligation	42.23	59.14
Fixed Deposits from Public	2,235.00	2,937.62
Interest accrued but not due on Fixed Deposits	208.45	403.16
Total	2,580.40	4,290.55

Fixed deposit includes ₹ Nil (₹ 23.56 lakhs) secured by all movable properties such as furniture, fixtures, computers, Fitting excluding plant and machinery of the company.

Fixed Deposits from public are repayable within 12 Months from the reporting date.

Note 20 - Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for Gratuity	12.88	4.36
Advances from Customers	19,938.24	14,612.76
Liabilities for Expenses	419.07	241.60
Unclaimed Dividends	7.54	5.47
Total	20,377.73	14,864.19

Advances from customers includes an amounts of ₹ 19,876.73 lakhs (As on 31st March 2018 ₹ 14,554.20 lakhs) received towards sale of jewellery products under various sale initiatives / retail customer schemes.

Advance from Customers are redeemable by way of sale alone within 11 Months from the reporting date.



Particulars	For the Year Ended	
	31st March 2019	31st March 2018
Note 21 - Revenue from Operations		
Sale of Products - Gold, Silver, Diamond and Platinum		
Finished Goods	140,113.84	131,419.34
Traded Goods	4,221.28	6,509.95
Total	144,335.12	137,929.29
Note 22 - Other Income		
Interest Income(TDS ₹ 25.98 lakhs (P.Y ₹ 12.83 lakhs)	261.83	130.73
Other Operating Income	25.27	24.67
Total	287.10	155.39
Note 23- Cost of raw materials consumed		
Opening Stock	1,293.16	1,685.45
Add : Purchases	128,434.00	134,066.94
	129,727.16	135,752.38
Less: Closing Stock	1,009.94	1,293.16
Total	128,717.22	134,459.22
Note 24 - Purchase of Stock-in- trade		
Traded goods	3,435.82	6,388.88
Total	3,435.82	6,388.88
Note 25 - Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade		
Closing Stock		
Work in Progress	6,636.90	5,862.36
Finished Goods	42,661.39	40,309.58
Total	49,298.29	46,171.94
Opening Stock		
Work in Progress	5,862.36	4,022.33
Finished Goods	40,309.58	25,285.10
Total	46,171.94	29,307.43
Increase /Decrease in Work in Progress and Finished Goods and stock in trade	(3,126.35)	(16,864.51)
Note 26 - Manufacturing expenses		
Making Charges	1,214.46	1,083.35
Stores and consumable	21.84	23.18
Manufacturing Wages	24.72	21.17
Total	1,261.03	1,127.70



Particulars	For the Year Ended	
	31st March 2019	31st March 2018
Note 27 - Employee Benefits Expense		
Salaries and Bonus	2,874.71	2,614.66
Contribution to PF and Other Funds	234.08	225.77
Staff Welfare Expenses	213.51	176.99
Director's Remuneration	216.00	180.00
Total	3,538.30	3,197.42
Note 28 - Finance Costs		
Interest on		
- Working Capital Loan	571.73	411.19
- Term Loan and Others	233.24	242.48
- Gold Metal Loan	355.50	329.97
- Fixed Deposits	512.50	572.75
Bank Charges and Commission	360.71	323.10
Total	2,033.67	1,879.48
Note 29 - Depreciation and Amortization Expense		
Depreciation of property, plant and equipment (Refer Note 2)	665.99	677.02
Amortization of intangible assets (Refer Note 3)	93.03	139.50
Total	759.02	816.52
Note 30 - Other Expenses		
Rent	387.00	345.06
Rates & Taxes	23.69	164.06
Excise Duty	-	183.18
Insurance	67.23	71.00
Power and Fuel	376.73	349.43
Postage and Telephone charges	112.30	109.53
Advertisement and Publicity Expenses	963.76	1,022.76
Selling Promotional Expenses	540.30	645.68
Travelling Expenses	166.35	140.36
Director's Sitting Fees	1.05	1.05
Professional Charges	243.27	112.03
Printing and Stationery	53.18	41.37
Payment to Auditors (Note 30 A)	23.95	28.85
Repairs & Maintenance	-	-
- for Building	41.49	26.87
- for Vehicles and others	194.87	173.25
Security Charges	125.35	117.99
Impairment of Assets	13.41	47.15
Corporate Social Responsibility expenses (Note 30 B)	0.90	51.76
Donation and Others	14.38	10.26
Other Expenses	100.36	44.63
Total	3,449.57	3,686.27



Particulars	For the Year Ended	
	31st March 2019	31st March 2018
Note 30 A - Auditors remuneration		
For Statutory Audit	12.00	12.00
For Tax Audit	5.00	5.00
For Limited Review	4.95	9.85
For Certification Work etc.	2.00	2.00
Total	23.95	28.85
Note 30 B -Details of CSR Expenditure		
(a) Gross Amount required to be spent by the company	1.92	53.34
(b) Amount spent during the year ended	-	-
(i) Construction / acquisition of any assets	-	-
(ii) On Purposes other than (i) above	0.90	51.76
(c) Amount unspent during the year ended	1.02	1.57
Note 31 - Taxes		
(a) Income Tax Expenses		
The major components of income tax expenses		
Current tax	1,580.32	394.16
Deferred tax charge/ (credit)	(51.97)	712.28
Total income tax expenses recognized in statement of profit and loss	1,528.35	1,106.44
Other Comprehensive Income		
Deferred Tax related to items recognized in OCI during the year		
Net Loss/(gain)on reimbursements on defined benefits Plans	0.32	5.97
Total	0.32	5.97
(b) Reconciliation of effective tax rate:		
Profit Before Tax (A)	4,553.94	3,393.70
Enacted tax rate in India	34.944%	34.608%
Expected tax expenses(C=A*B)	1,591.33	1,174.49
Effect of :		
Expenses disallowed under Income Tax Act, 1961	5.28	29.17
Effect due to MAT, Allowance and Deduction	68.27	97.22
Income tax expenses	1,528.35	1,106.44
(c)Reconciliation of deferred tax liabilities/ (assets) Net		
Opening Balance as on	158.90	(547.41)
Tax (income)/expenses during the year recognized in profit and Loss account	(51.97)	712.28
Tax (income)/expenses during the year recognized in OCI	(0.32)	(5.97)
Closing Balance as at 31st March	106.61	158.90

**32. Contingent Liabilities****(a) Capital commitments**

(₹ in lakhs)

	2018-19	2017-18
Estimated value of Contract remaining to be executed on capital account net of advances not provided for.	50.00	30.00

(b) An order for demand of less payment of Customs duty on imported goods pertaining to earlier year for ₹ 154 Lakhs passed by principal Commissioner of Customs, Chennai. The company has moved a Writ petition against the order with Honourable High Court of Madras for quashing the order passed by the Authority. The writ was admitted and status quo is maintained. The company is advised that it has got a more than a reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any is considered as contingent in nature.

(c) In respect of – outstanding Letter Credit given to bankers ₹ 6,588.00 Lakhs (previous year ₹ 4,928.94 Lakhs)

(d) The Commercial Tax office, Nethaji Road Circle, Madurai has passed order and raised demand for payment under the TNVAT, 2006 for the year 2006-07 to 2009-10 of ₹ 49.96 Lakhs towards liability of disallowance of input tax and classification of goods. The company has filed an appeal against the aforesaid order with appellate Authorities and the matter is pending for disposal.

(e) The Commercial Tax office, Madurai has issued a notice for the Asst year 2006 -07 to 2012-13 on the matter of payment of Sec 12 purchase tax and others made a claim aggregating to ₹ 492 Lakhs. The notice is erroneous as the law permits to adjust the excess input credit available at every point of time with that of purchase tax payable. The company even after adjusting regularly the purchase tax due with the excess input credit available has also paid by remittances for balance if any. Accordingly, at no point of time, the company failed to pay purchase tax u/s 12. Against this frivolous notice, the company took the matter to Honourable Madras High Court, Madurai bench and obtained stay and also restrained the authorities to pass any orders without the court direction. However, commercial tax officer has not passed any order even earlier to this injunction and no action is taken for converting into orders for such notices sent by them. As the dues were already paid with the tax input credits available, no real time liability for any further payment would be necessary. Hence, the liability if any is considered as Contingent in nature.

(f) The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain tax incentives or allowances. Tax demand of ₹ 55.32 lakhs raised by assessing officer, as per order under Section 143 (2) of the Income Tax Act 1961 due to disallowance pertaining to amortisation of Initial Public Offer (IPO) expenses under section 35D for Assessment Years 2010-11 to 2014-15. Company is in appeal before Commissioner of Appeals against said order.

33. Related Party Disclosures

In accordance with the requirements of Indian Accounting Standards (Ind AS) – 24 "Related Party disclosures" the names of related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

Directors / Key Management Personnel**a) Key Management Personnel (KMP)**

Balarama Govinda Das – Managing Director, Ba. Ramesh – Joint Managing Director and N. B. Kumar – Joint Managing Director

b) Relatives of KMP

Yamuna Vasini Deva Dasi (wife of Managing Director)

B. Rajeshkanna, B. Prasannan, & N. B. Arun (Sons of Managing Director)

B. R. Sumati (wife of Ba. Ramesh, JMD), Y.Darmini (Daughter of Ba.Ramesh, JMD)

Late S.K.Yadeenthranathan (Son-in-Law of Ba. Ramesh – JMD)- expired in Mar' 19

R. Gokul (Son of Ba. Ramesh, JMD)

K. Thamaraiselvi (Wife of N. B. Kumar, JMD), B.K. Kishorelal (Son of N. B. Kumar, JMD)

c) Enterprises over which Key Managerial Personnel (KMP) and their relatives have substantial interest

Thangamayil Gold and Diamond Private Limited & Balusamy Silvears Jewellery Private Limited



The following are the transactions that were carried out with the related parties in the ordinary course of business:

Transactions with Key management personnel

(₹ in lakhs)

Description	2018-19	2017-18
Remuneration		
Balarama Govinda Das	72.00	60.00
Ba. Ramesh	72.00	60.00
N. B. Kumar	72.00	60.00
Amounts payable at the year end		
Balarama Govinda Das	264.56	304.45
Ba. Ramesh	473.58	756.44
N. B. Kumar	518.77	774.24
Rent Paid		
Balarama Govinda Das	0.60	7.35
Ba. Ramesh	0.60	0.35
N. B. Kumar	0.60	0.35
Rent Advances		
Balarama Govinda Das	30.00	30.00
Interest Paid/ Payable		
Balarama Govinda Das	58.46	16.91
Ba. Ramesh	59.23	26.29
N. B. Kumar	59.82	27.25
Dividend Paid		
Balarama Govinda Das	93.76	57.14
Ba. Ramesh	94.61	57.64
N. B. Kumar	93.21	56.82
Transactions with Relatives of KMP		
Salary Paid		
B. Rajeshkanna	28.80	28.80
B. Prasannan	27.00	27.00
S.K.Yadeenthranathan	25.55	24.41
N.B. Arun	15.64	15.00
R.Gokul	18.00	18.00
Dividend Paid		
B. Rajeshkanna	0.75	0.42
B. Prasannan	0.75	0.42
K. Thamaraiselvi	0.79	0.46
Y.Darmini	0.78	0.44
Yamuna Vasini Deva Dasi	0.71	0.40
R. Gokul	0.47	0.26
N.B. Arun	0.78	0.44
Enterprises over which KMP and their relatives have substantial interest		
Advance		
Thangamayil Gold and Diamond Private Limited	59.50	14.00
Balusamy Silvears Jewellery Private Limited	18.30	4.50
Dividend Paid		
Thangamayil Gold and Diamond Private Limited	24.56	14.02
Balusamy Silvears Jewellery Private Limited	7.89	4.50
Interest		
Thangamayil Gold and Diamond Private Limited	2.87	2.20
Balusamy Silvears Jewellery Private Limited	1.11	0.63

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the company, which has been relied upon by the auditors.

**34. Earnings per Share**

The numerators and denominators used to calculate Basic / Diluted Earnings per Share:

Particulars	2018-19	2017-18
Amount used as the numerator		
Total comprehensive income for the year, net of tax (A) (₹ in Lakhs)	3,024.96	2,274.28
Basic / Weighted average number of Equity Shares used as the denominator - (B)	13,719,582	13,719,582
Nominal value of Equity shares (₹)	10	10
Basic / Diluted Earnings per share - (A/B) (₹)	22.05	16.58

35. Segment Report

The company is engaged in the business of Gold Jewellery, Diamond and Silver Articles, which constitutes a single business segment. In view of the above, there are no segment wise reports to be disclosed in terms of Indian Accounting Standard (Ind AS) 108- "Segment Reporting" issued by The Institute of Chartered Accountants of India.

36. Employee Benefits**a) Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(₹ in lakhs)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund	118.67	132.03
Employer's Contribution to Employees' State Insurance Scheme	81.99	72.90

b) Defined Benefit Plan

The company provides for gratuity, a defined benefit plan (the Gratuity Plan), to its employees. The Gratuity Plan provides for a lump sum payment to vested employees at retirement or termination of employment, whichever is earlier, based on the respective employee's last drawn salary and years of employment with the Company. The employee's gratuity funds are managed by Insurance Company.

(₹ in lakhs)

Particulars	2018-19	2017-18
Change in Obligation		
1. Obligations at the beginning of the year	159.73	125.36
2. Add: Current Service Cost	30.31	22.00
3. Add: Interest Cost	12.12	10.03
4. Add: Actuarial (Gain)/Losses due to change in assumptions	0.95	18.95
5. Less: Benefits paid	15.66	16.62
6. Obligations at the end of the year	187.44	159.73



(₹ in lakhs)

Particulars	2018-19	2017-18
Fair value of Plan Assets		
1. Fair value of Plan assets at the beginning of the year	155.37	135.10
2. Add: Expected Return on Plan Assets	12.67	11.40
3. Add: Actuarial Gain/(Loss)	-	-
4. Add: Contribution	22.18	25.49
5. Less: Benefits paid	15.66	16.62
6. Fair value of Plan assets at the end of the year	174.56	155.37
Actual Return on Plan Assets		
1. Expected Return on Plan Assets	12.67	11.40
2. Actuarial Gain/(Loss) on Plan Asset	-	-
3. Actual Return on Plan Assets	12.67	10.35
Amount Recognized in Balance Sheet		
1. Present value of Obligation as at March 31	187.44	159.73
2. Less: Fair value of Plan Assets as at March 31	174.56	155.37
3. Net Liability/ (Asset) recognized in the Balance Sheet	12.88	4.36
Expenses recognized in Profit and Loss		
1. Current Service cost as per Valuation Report	30.31	22.00
2. Add: Interest cost	12.12	10.03
3. Less: Expected Return on Plan Assets	12.67	11.40
4. Less: Actuarial (Gain) / Loss	0.95	18.95
5. Expense recognized in Profit and Loss account	30.70	39.58
Actuarial Assumptions		
Discount Rate (Per Annum)	8%	8%
Expected Rate of Return on Plan Assets (per annum)	-	-
Salary Escalation (per annum)	5%	5%

- Provision for gratuity fund of ₹ 12.88 lakhs (Previous year ₹ 4.36 lakhs) being the net liability recognized as per actuarial valuation of gratuity fund.
- The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- The assumption of future salary increase, are considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Investment Details

The company made annual contributions to the Employee Group Gratuity Trust based on the actuarial valuation. The said Trust is in the process of making investment of Gratuity Fund through Life Insurance Corporation of India according to guidelines of IRDA.



37. The Company has entered in to leasing arrangements for its branch show room, manufacturing works and corporate office facilities. These lease are for periods ranging from 1 to 5 years with an option to the company for renewing at the end of the initial term. Rental Expenses for operating lease included in the Profit and Loss Account for the year is ₹ 387.00 Lakhs (Previous year ` 345.06 Lakhs).

The future minimum lease payments for non – cancelable operating leases are given below;

(₹ in lakhs)

Particulars	2018-19	2017-18
Due within one year	330.20	275.77
Due within one to five years	1,906.94	1,245.99
Due after five years	346.42	346.42

Finance leases

The Company has taken vehicles on finance lease basis and in respect of these assets the total of minimum lease payments and its present value as at the balance sheet date is as under:

(₹ in lakhs)

Particulars	Minimum Lease payments Due	Present Value
Not later than 1 year	42.23	38.20
Due in within one to five years	46.59	38.16

38. The company is collecting advances from customers both in the form of gold and money and no value addition is charged as per terms of agreement at the time of sale of ornaments. The liability for receipt of customer advances in this category is accounted as and when received by the company. At the time of redemption entire value addition will be given as discount to the customers and no provision for such future discount is made in the accounts in accordance with the significant accounting policies of the company as the real time sale is contingent on redemption. As sum of ₹ 19,873.21 lakhs (Previous year ₹ 14,554.20 lakhs) is outstanding in such scheme as on 31st March 2019. The discount if any payable in future on redemption will be treated as reduction in sales realization.

39. Effective April 1, 2018 the Company has adopted Ind AS 115 "Revenue from contract with customers" by applying the cumulative effect method to all the contracts that were not completed as of April 1, 2018 and accordingly, the comparative information has not been restated. The adoption of the standard did not have any material impact to the financial statements of the Company for the quarter and year ended March 31, 2019.

40. Recent accounting pronouncements

a) Ind AS 116 – LEASES:

On March 30, 2019 Ministry of Corporate Affairs has notified that Ind AS 116, Leases. Ind AS 116, Leases will replace the existing leases standard, Ind AS 17- Leases, and related interpretations. The Standard sets out the principle for the recognition, measurement, presentation and disclosure of leases for both parties of contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underline asset is of low value. Currently, operating leases expense are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Standard permits 2 possible methods of transition: i) Full Retrospective – Retrospectively to each prior period presented applying Ind AS 8 accounting policies, changes in accounting estimates and errors. ii) Modified Retrospective- Retrospectively, with the cumulative effect of initially applying the standard recognised at the day of initial application.



Under Modified Retrospective approach, the Lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as: a) its carrying amount as if the Standard had been applied since the commencement date, but discounted at Lessee's incremental borrowing rate at the date of initial application or, b) any amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the "Modified Retrospective Approach" for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The company has elected certain available practical expedients on transition.

b) IND AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019 Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatment which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is Uncertainty Over Income Tax Treatment under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition i) full retrospective approach - under this approach, appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – changes in accounting estimates and errors, without using hind sight and ii) Retrospectively with cumulative effect of initially applying appendix C recognised by adjusting equity on initial application without adjusting comparative.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The company will adopt the Standard on April 1, 2019 and as decided to adjust the cumulative effect in equity on the date of initial application i.e., April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 – Income Taxes:

On March 31, 2019 Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, "Income Taxes", in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profits or losses, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on after April 1, 2019. The company is currently evaluating the effect of this amendment on the financial statements.

c) Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 31, 2019 Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 19, "Employee Benefits", in connection with accounting for plan amendment, curtailment or settlements.

The amendments require an entity: i) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlements, and ii) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.



Effective date for application of this amendment is annual period beginning on after April 1, 2019. The company does not have any impact on account of this amendment.

41. In the opinion of the management, there is no impairment in the carrying cost of fixed assets of the Company in terms of the Indian Accounting Standard (Ind AS) 36 "Impairment of Assets" issued by the Institute of Chartered Accountants of India except Impairment assets value of ₹ 13.41 lakhs (previous year ₹ 47.15 lakhs) for renovation of existing show rooms during the year.

42. Quantitative Information

For the year ended 31st March 2019

Class of Goods	Unit	Opening Stock	Purchase/ Consumption	Sales	Closing Stock
Gold and Jewellery	Grams	1,484,675	4,143,434	4,129,886	1,498,222
Silver, Silver Golusu and Articles	Grams	6,904,844	22,657,100	21,866,749	7,695,195
Silver Articles	Pcs	56,999	119,686	99,134	77,551
Diamonds	Carats	1,386	4,371	3,230	2,527
Precious Stones	Carats	-	489	69	420
Platinum and Precious Stones	Pcs	606	88	192	502
Alloy and Copper	Grams	193,244	(88,892)	-	104,352

For the year ended 31st March 2018

Class of Goods	Unit	Opening Stock	Purchase/ Consumption	Sales	Closing Stock
Gold and Jewellery	Grams	9,86,525	47,36,117	42,37,968	14,84,675
Silver, Silver Golusu and Articles	Grams	50,29,313	2,25,25,296	2,06,49,765	69,04,844
Silver Articles	Pcs	29,118	1,64,419	1,36,538	56,999
Diamonds	Carats	691	1,598	904	1,386
Platinum and Precious Stones	Pcs	544	290	228	606
Alloy and Copper	Grams	1,44,449	48,795	-	1,93,244

43. Details of Products Sold – Broad Heads

(₹ in lakhs)

Particulars	2018-19	2017-18
Finished Goods Sold		
Gold Ornaments	131,277.79	122,477.94
Silver Items	8,836.05	8,941.40
	140,113.84	131,419.34
Traded Goods Sold		
Gold Ornaments	561.35	5,521.48
Diamonds	2,277.45	553.83
Silver Items	1,382.48	434.63
	4,221.28	6,509.94

**Details of Materials Consumed -Broad Heads**

(₹ in lakhs)

Particulars	2018-19	2017-18
Details of Materials Consumed		
Gold Ornaments	121,242.06	117,536.56
Silver Items and Diamonds	9,045.65	7,574.74
	130,287.72	125,111.30

Details of Inventory – Broad Heads

(₹ in lakhs)

Particulars	2018-19	2017-18
Pure Gold	430.20	205.86
Gold Ornaments	45,373.14	43,581.11
Silver Items	3,249.91	2,989.21
Diamonds	1,254.98	688.93
	50,308.23	47,465.11

44. Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	2018-19	2017-18
Travelling Expenses	8.09	1.14

45. The Company has no dues to micro and small enterprises during the year ended March 2019 and March 2018.

46. Financial Risk Management Framework

The Company is exposed predominantly to liquidity risk and market risk which may adversely impact the fair value of its financial instruments. The company assess the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company. The risks and mitigating actions are also placed before the Audit Committee of the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities when due without incurring unacceptable losses.

The company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis. The company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on- going basis to meet operational requirements. Any short term surplus cash generated, over and above the amount required for working capital management and other operational needs, is retained as undrawn from limits (to the extent required) to ensuring sufficient liquidity to meet liabilities. The company expects to meet it their obligations from operating cash flows.

For long term borrowings, the company also focuses on maintaining/ improving its credit ratings to ensure that appropriate refinancing options are available on the respective due dates.



(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	Total
As at March 31, 2019			
Borrowings and Other financial Liabilities	11,568.06	3,831.36	15,399.42
Trade and Other Payable	10,045.94	-	10,045.94
Total	21,614.00	3,831.36	25,445.36
As at March 31, 2018			
Borrowings and Other financial Liabilities	15,966.66	3,062.45	19,029.11
Trade and Other Payable	10,134.76	-	10,134.76
Total	26,101.42	3,062.45	29,163.87

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market places. Market risk comprises two types of risk: Interest rate risk, and price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This risk exists mainly on account of borrowing of the Company. However, all these borrowings are at flexible interest rate and based on the limit availment and hence the exposure to change in interest rate is insignificant in the current syndrome.

Price risk

Gold price fluctuation risk could arise on account of frequent changes in gold prices either up or downside momentum. It could have adverse impact on earnings. We are maintaining our inventory price hedging around 62:38 basis. This will help the company with any gold price fluctuation of gold price. Your Board will take appropriate action in managing the fluctuation impact in gold price movement from time to time to increase to 75:25 basis.

47. Capital Management

For the purpose of the Company capital management, capital includes issued equity capital and other equity reserve attributable to the equity share holders of the Company. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day to day need with a focus on total equity so as to maintain investor, creditors and market confidence.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt is calculated as borrowing less cash and cash equivalents and other bank balances.



(₹ in lakhs)

Particulars	March 31, 2019	March 31, 2018
Borrowings – Total Liabilities	45,929.71	44,186.95
Less: Cash and Cash equivalents, other bank balances.	894.32	367.70
Net Debts (A)	45,035.39	43,819.25
Equity	19,318.69	16,872.64
Capital and Net debt (B)	64,354.08	60,691.89
Gearing Ratio (A/ B)	70%	72%

48. All figures have been rounded off to the nearest thousands.

49. Previous year figures have been regrouped / reclassified to make them comparable with that current year.

SUBJECT TO OUR REPORT OF EVEN DATE

For **Srinivas & Padmanabhan**

For **Thangamayil Jewellery Limited,**

Chartered Accountants

Firm's Regn. No. 0040215

K.M.Padmanabhan

Partner

M.No. 026594

Balarama Govinda Das

Managing Director

DIN: 00266424

Ba. Ramesh

Joint Managing Director

DIN: 00266368

N.B.Kumar

Joint Managing Director

DIN: 01511576

S.Rethinavelu

Independent Director

DIN: 00935338

Lalji Vora

Independent Director

DIN: 01899070

V.R. Muthu

Independent Director

DIN: 01908841

Yamuna Vasini Deva Dasi

Director

DIN: 01388187

V. Vijayaraghavan

Company Secretary

B. Rajeshkanna

Chief Financial Officer

DIN: 01334048

Place : Madurai

Date : May 22, 2019

**NOTICE TO THE SHARE HOLDERS**

NOTICE IS HERE BY GIVEN THAT THE 19th ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON 1st AUGUST 2019 AT TAMILNADU CHAMBER OF COMMERCE & INDUSTRY, NO: 178-B, KAMARAJAR SALAI, MADURAI-625009 AT 11.45 AM TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 and the Profit and Loss Account made up to that date along with the report of the Directors, Auditors there on.
2. To appoint a Director in place of Smt. Yamuna Vasini Deva Dasi who retires by rotation at the close of the Annual General Meeting and being eligible offers herself for re-appointment.
3. To declare a dividend on equity shares.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.S.Rethinavelu (holding DIN 00935338), Independent Director of the Company, whose term expires by 31st July 2019 and who is eligible to be re-appointed for the another term of five years be and is hereby re - appointed as an Independent Director of the Company to hold office for another five consecutive years from 1st August 2019 to 31st July, 2024."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.LaljiVora (holding DIN 01899070), Independent Director of the Company, whose term expires by 31st July 2019 and who is eligible to be re-appointed for the another term of five years be and is hereby re - appointed as an Independent Director of the Company to hold office for another five consecutive years from 1st August 2019 to 31st July, 2024."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.V.R.Muthu (holding DIN 01908841), Independent Director of the Company, whose term expires by 31st July 2019 and who is eligible to be re-appointed for the another term of five years be and is hereby re - appointed as an Independent Director of the Company to hold office for another five consecutive years from 1st August 2019 to 31st July, 2024."

7. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sec.73 and 76 of the Companies act, 2013 read with Companies (acceptance of deposits) rules, 2014 and all other applicable provisions if any, as recommended by the Board of directors of the Company and subject to other approvals and sanctions under the Companies Act, 2013, consent of the Shareholders of the Company be and is hereby accorded to the Company to invite accept and renew deposits from the Public and Shareholders of the Company for the current Financial year 2019-20 until the next Annual General Meeting up to a sum of Rs.6761.55 lakhs, (from the Public Rs.4829.68 lakhs and from the Shareholders of the Company Rs.1931.87 lakhs) which will be within the limits prescribed under rule 3 of the Companies (acceptance of deposits) rules, 2014 on the basis of audited accounts for the year ended 31.03.2019.

RESOLVED FURTHER THAT the rate of interest for the fixed deposit be and is hereby revised for the current financial year 2019-20. as follows;

S.No	Term of deposit	Revised Rate of interest (with effect from 1st August 2019)	Old Rate of Interest
1	1 Year	8.50%	9.00%
2	2 Year	9.00%	9.50%
3	3 Year	9.50%	10.00%

RESOLVED FURTHER THAT the Company do hereby comply with all the formalities as per the Companies (acceptance of deposits) rules, 2014 and under the Companies Act, 2013 with regard to acceptance of deposits from the Public and Shareholders.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do any such act or deeds in connection with acceptance of deposits and as empowered by the Board of Directors with regard to the same under the Companies Act, 2013 and Companies (acceptance of deposits) rules, 2014.

By Order of the Board of Directors

For Thangamayil Jewellery Limited

CS.V.Vijayaraghavan

Company Secretary

Place : Madurai

Date : May 22, 2019

NOTES:

The Explanatory statement setting out the material facts pursuant to section 102 of the Companies Act, 2013 ("the Act") concerning the special business in the notice is annexed here to and forms part of this notice. The profile of the Directors seeking appointment/reappointment, as required in terms of Regulation 27 of SEBI (LODR) Regulation 2015 of the listing agreement entered with the Stock Exchange is annexed.

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be a member of the company. The proxies in order to be valid, must be duly stamped, executed and received at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

- Members are requested to bring their copies of the Annual Report for the meeting.
- Members are requested to immediately notify any change of address / Bank mandate, etc.,
 - To the Depository participants (DPs) in respect of their electronic share accounts.
 - To the Registrar and share transfer agents M/s. SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1 Sathy Road, Ganapathy, Coimbatore- 641 006 or to the Registered office of the Company at 124, Nethaji Road, Madurai-625 001, in respect of their physical holdings.
- The register of members and share transfer books of the company will remain closed from **26th July 2019 to 1st August 2019**. (Both days inclusive) as per the requirements of the listing agreement.
- The company has a designated e-mail id for investor grievances. All the share holders are requested to mail their grievance to companysecretary@thangamayil.com
- Members are requested to quote their folio / Demat ID numbers in their correspondence always.
- Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot Act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participants of the members. Members holding shares in



physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars. Electronic copy of the annual report for 2018-19 is being sent to all the members whose E-mail IDs are registered with the depository participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered the E-mail address physical copies of the annual report for 2018-19 is being sent in the permitted mode.

Voting through electronic means:

In Compliance with provisions of Section 108 of the Companies Act, 2013 and rule 20 of the Companies (management and administration) rules, 2014 the Company is pleased to provide members facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting services provided by Central Depository Services (India) Ltd (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 29th July 2019, 10.00 Am and ends on 31st July 2019, 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 25th July 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below: PAN

Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details or Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN relevant to Thangamayil Jewellery Limited on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google play store. Apple and windows phone users can download the app from the App store and the windows phone stores respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

In case of Members receiving the physical copy:

I. (A) Please follow all steps from Sl.No (I) to Sl.No. (XVIII) above to cast vote.

(B) The Voting period begins **29th July 2019**, 10.00 Am and ends on **31st July 2019**, 5.00 PM. During this period Shareholders



of the Company holding Shares in physical form or in dematerialized form as on the cutoff date 25th July 2019 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.

- II. Mr.S.Muthuraju ACS, Practicing Company Secretary (CP.No.4181) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.

(A) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, not later than three days of conclusion of the meeting.

(B) The result shall be declared after the AGM of the Company and after submission of the report by the scrutinizer. The results declared along with the scrutinizers report shall be available for inspection and also placed on the website of the Company with in prescribed period.

(C) The notice of the Annual General Meeting and this communication are also available on the website of the Company www.thangamayil.com.

By Order of the Board of Directors

For Thangamayil Jewellery Limited

CS.V.Vijayaraghavan

Company Secretary

Place : Madurai

Date : May 22, 2019

Directorship / Committee members exclude Directorships in private / foreign companies and companies incorporated under section 8 of the companies Act, 2013

Annexure to item 2 of the notice Details of Directors seeking appointment / re-appointment at the Annual General Meeting (In pursuance of Regulations 17 and 27 of SEBI (LODR) 2015)				
Name of the Director	Smt.Yamuna Vasini Deva Dasi	Mr.S.Rethinavelu	Mr.LaljiVora	Mr.V.R.Muthu
Date of Birth	10.02.1957	21.12.1942	13.10.1943	07.10.1953
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	04.02.2015	26.09.2007	26.09.2007	26.09.2007
Qualification	SSLC	B.A., B.L.,	B.Com,	B.Com,
Experience in functional areas	-	Rich experience in business/ commercial spheres	Rich experience in business/ commercial spheres	Rich experience in business/ commercial spheres
Number of Shares held in the company	20200	Nil	100	Nil
List of Directorships held in other Companies	Balusamy Silvears Jewellery Pvt Ltd.,	-	-	V.V.V.& Sons Edible Oils Ltd.,
Chairman/Member in the Committees of the Boards of Companies in which he is a Director.	-	Chairman Audit Committee Remuneration Committee	Chairman Investors Grievance Committee Member Remuneration Committee CSR Committee	Member Audit Committee Remuneration Committee

By Order of the Board of Directors

For Thangamayil Jewellery Limited

CS.V.Vijayaraghavan

Company Secretary

Place : Madurai

Date : May 22, 2019

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SEC.102 OF THE COMPANIES ACT, 2013****ITEM NO.4**

Mr.S.Rethinavelu is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 2007. Mr. S.Rethinavelu is Chairman of the Nomination and Remuneration Committee and also Chairman of the Audit Committee of the Company. He has been associated with the Company since 2007 as a Non- Executive and Independent Director in the Board and he has contributed immensely towards the development of the activities and has been a source of prudent advice for the Company during these years. As Chairman and Member of various committees he has been able to render good guidance to the Management. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 his term expires by 31st July 2019 and he is eligible for an extension of another Five years to be re-appointed as an Independent Director of the company from 1st August 2019 to 31st July 2024. In the opinion of the Board, Mr. S.Rethinavelu fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Mr. S.Rethinavelu as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company during normal business hours on any working day, excluding Sunday. He has also completed 75 years of age and as per the Act, his re-apoitment should be a special resolution to be passed by the shareholders. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.S.Rethinavelu as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr.S.Rethinavelu as an Independent Director, for the approval by the Shareholders of the Company.

Memorandum of Interest:

Except Mr. S.Rethinavelu, being a re-appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution

Item no.4

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges

ITEM NO.5

Mr.LaljiVora is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 2007 Mr.LaljiVora is Chairman of the Stake Holders and Grievance and Relationship Committee and also Member in Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Company. He has been associated with the Company since 2007 as a Non- Executive and Independent Director in the Board and he has contributed immensely towards the development of the activities and has been a source of prudent advice for the Company during these years. As Chairman and Member of various committees he has been able to render good guidance to the Management. He holds by himself only 100 shares in the company and does not hold for any other person on a beneficial basics any shares in the company. In term of Section 149 and any other applicable provisions of the Companies Act, 2013 his terms expires by 31st July 2019 and he is eligible for an extension of another Five years to be re-appointed as an Independent Director of the company from 1st August 2019 to 31st July 2024. In the opinion of the Board, Mr.LaljiVora fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Mr.LaljiVora as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company during normal business hours on any working day, excluding Sunday. He has also completed 75 years of age and as per the Act, his re-apoitment should be a special resolution to be passed by the shareholders. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.LaljiVora as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr.LaljiVora as an Independent Director, for the approval by the Shareholders of the Company.

**Memorandum of Interest:**

Except Mr.LaljiVora, being a re- appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No.5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO.6

Mr.V.R.Muthu is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 2007. Mr.V.R.Muthu is a Member in Audit Committee and Nomination and Remuneration Committee of the Company. He has been associated with the Company since 2007 as a Non- Executive and Independent Director in the Board and he has contributed immensely towards the development of the activities and has been a source of prudent advice for the Company during these years. As Chairman and Member of various committees he has been able to render good guidance to the Management. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 his terms expires by 31st July 2019 and he is eligible for an extension of another Five years to be re-appointed as an Independent Director of the company from 1st August 2019 to 31st July 2024. In the opinion of the Board, Mr.V.R.Muthu fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Mr.V.R.Muthu as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Corporate Office of the Company during normal business hours on any working day, excluding Sunday. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.V.R.Muthu as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr.V.R.Muthu as an Independent Director, for the approval by the Shareholders of the Company.

Memorandum of Interest:

Except Mr.V.R.Muthu, being a re - appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution

Item No.6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

ITEM NO 7.

Under section 73 & 76 of the companies act 2013, read with acceptance of deposit rules, 2014 it has become mandatory for the company to obtain prior consent of the share holders of the company with regard to acceptance of deposits under the act.

As an eligible company under the act for acceptance of public deposits from the public since we are fulfilling the criteria of net worth of ₹100 Crores or more and turnover of `500 Crores or more as prescribed for the eligible public companies under the act, the company proposes to invite deposits from the public as per eligibility set out in the said resolution.

The company has revised the rate of interest for the term deposit as shown in the said resolution for your approval.

Accordingly the said resolution duly recommended by the Board is placed before the Annual General Meeting for your approval.

Memorandum of interest:

None of the directors, Key managerial personnel and their relatives are deemed to be interested financial or otherwise in this resolution.

Place : Madurai

Date : May 22, 2019

By Order of the Board of Directors

For Thangamayil Jewellery Limited

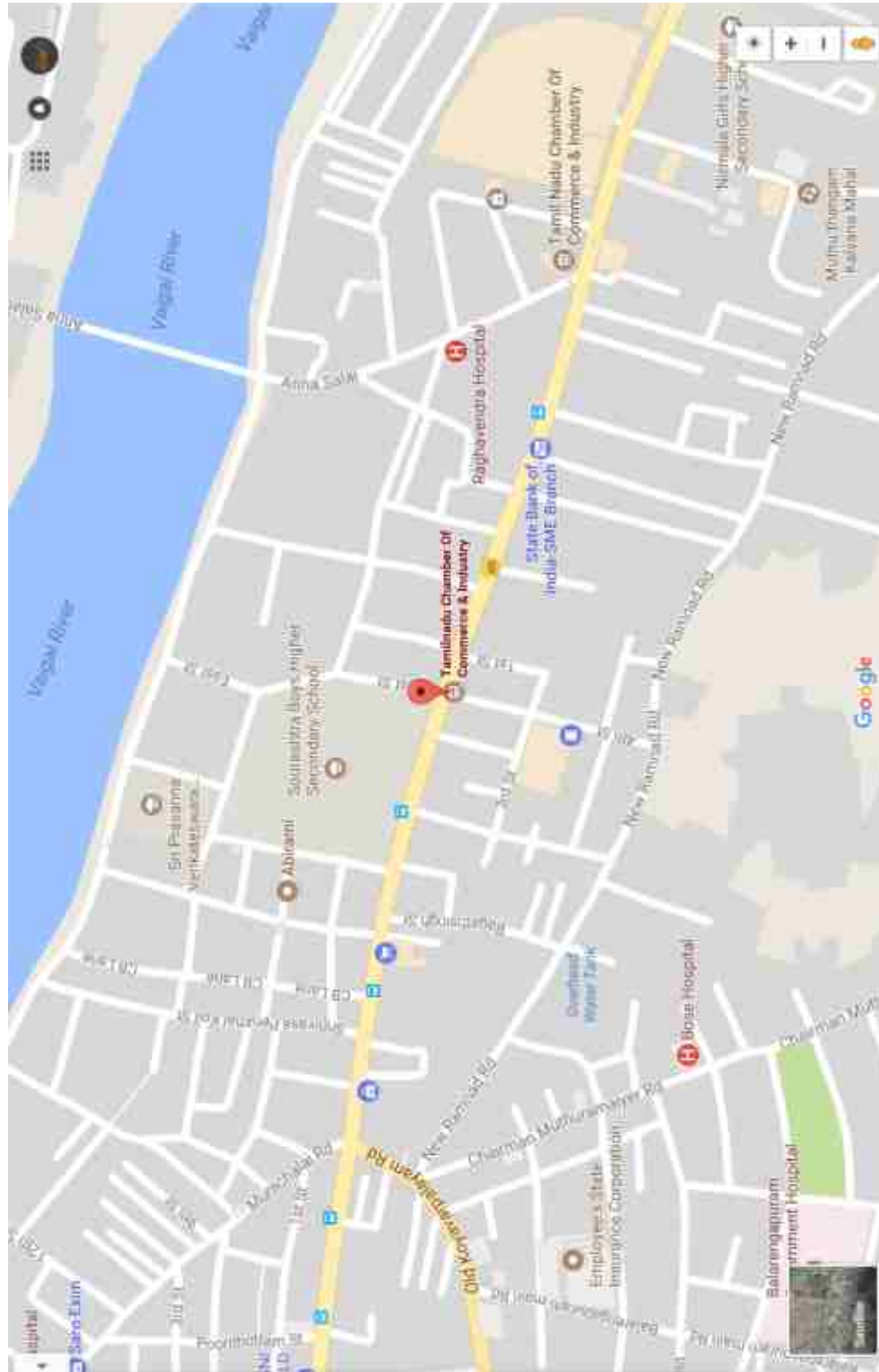
CS.V.Vijayaraghavan

Company Secretary



Route Map to the AGM Venue

Tamilnadu Chamber of Commerce & Industry
178B - Kamarajar Salai, Madurai - 625 009



ATTENDANCE SLIP**THANGAMAYIL JEWELLERY LIMITED**

Regd. Office: No.124, Nethaji Road, Madurai-625 001. (CIN-L36911TN2000PLC044514)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting

DP Id*	
Client Id*	

Folio No.	
No.of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company held on Thursday, 1st August, 2019 at 11.45 a.m at Tamilnadu Chamber of Commerce & Industry, No. 178 B, Kamarajar Salai, Madurai - 625009.

*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

PROXY FORM**THANGAMAYIL JEWELLERY LIMITED**

Regd. Office: No.124, Nethaji Road, Madurai-625 001. (CIN-L36911TN2000PLC044514)

Name of the member(s): Registered address:		E-mail Id: Folio / DP ID-Client ID No.	
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I/We being the member(s) ofshares of the above named Company hereby appoint:

- 1)ofhaving e-mail idor failing him
 - 2)ofhaving e-mail idor failing him
 - 3)ofhaving e-mail idor failing him
- as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Thursday, 1st August, 2019 at 11.45 a.m at Tamilnadu Chamber of Commerce & Industry, No. 178 B, Kamarajar Salai, Madurai - 625009 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions - Ordinary Business	For	Against
1. To consider and adopt the Audited Balance Sheet as at 31.03.2019 & the Profit & Loss account along with report of Directors, Auditors & Secretarial auditor thereon.		
2. To appoint a Director in place of Smt. Yamuna Vasini Deva Dasi who retires by rotation and being eligible offers herself for re-appointment.		
3. To declare a Dividend on Equity Shares		
Resolutions - Special Business		
4. To consider re-appointment of Shri. S. Rethinavelu as Independent Director		
5. To consider re-appointment of Shri. Lalji Vora as Independent Director		
6. To consider re-appointment of Shri. V.R. Muthu as Independent Director		
7. To give consent for Acceptance of Deposits u/s.73 & 76 of the Companies Act, 2013		

Signature this.....day of.....2019

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 19th Annual General Meeting.
3. It is optional to put a 'X' in the appropriated column against the Resolution indicated in the Box. If you leave the 'For' of 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

Affix
Revenue
Stamp



THANGAMAYIL JEWELLERY LIMITED[®]

Corporate Office - No.25/6, Palami Centre, IIIrd Floor, New Natham Road, Narayanapuram,
Madurai - 625014. Tel : 0452 - 438 2815 / 438 2816

Registered Office - No.124, Nethaji Road, Madurai - 625001.

Visit us : www.thangamayil.com

Email : care@thangamayil.com

