

Hare Krishna



THANGAMAYIL JEWELLERY LIMITED

# 15<sup>TH</sup> ANNUAL REPORT

2014 – 2015



# Board Of Directors



**Balarama Govinda Das**  
CHAIRMAN AND  
MANAGING DIRECTOR



**Ba. Ramesh**  
JOINT MANAGING DIRECTOR



**N. B. Kumar**  
JOINT MANAGING DIRECTOR



**S. Rethinavelu**  
INDEPENDENT DIRECTOR



**Lalji Vora**  
INDEPENDENT DIRECTOR



**V. R. Muthu**  
INDEPENDENT DIRECTOR



**T.R. Narayanaswamy**  
INDEPENDENT DIRECTOR



**Yamuna Vasini Devadasi**  
ADDITIONAL DIRECTOR



**CS. V. Vijayaraghavan**  
COMPANY SECRETARY



**B. Rajeshkanna**  
CHIEF FINANCIAL OFFICER

## REGISTRAR AND TRANSFER AGENT

### **S.K.D.C Consultants Ltd.,**

Kanapathy Towers, 1391/A-1 Sathy Road, Ganapathy,  
Coimbatore – 641 006.

## BANKERS

**State Bank of India**

**Oriental Bank of Commerce**

**IDBI Bank Ltd**

**Indusind Bank Ltd**

**Yes Bank Ltd**

**Karur Vysya Bank**

**ING Vysya Bank**

## REGISTERED OFFICE

**No.124, Nethaji Road  
Madurai - 625 001.**

## AUDITORS

### **B. Thiagarajan & Co.**

Chartered Accountants  
Chennai

## SECRETARIAL AUDITOR

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

## CORPORATE OFFICE

**25/6, Palami Centre,  
New Natham Main Road,  
Madurai - 625 014.**

**CIN - L36911TN2000PLC044514**

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### **Annual General Meeting**

Wednesday, 29th July 2015

Time: 11.45 a.m

Venue: Tamilnadu Chamber of Commerce & Industry,  
No. 178 B, Kamarajar Salai, Madurai - 625009.



## FIVE YEARS REVIEW OF FINANCIALS

(₹In lakhs)

Year ended 31st March		2014 - 15	2013 - 14	2012 - 13	2011 - 12	2010 - 11
1	Sales	1,42,126	1,19,130	1,52,298	1,13,130	65,826
2	Other Income	157	481	181	32	-
3	Cost of Materials	1,36,956	1,11,376	1,35,952	98,088	57,504
4	Salaries, Wages and Bonus	2,134	1,774	2,181	1,287	811
5	Other Expenses	2,752	4,503	5,879	1,981	1,657
6	Interest and Financial expenses	2,914	3,470	3,702	2,848	1,002
7	Depreciation	826	565	459	224	148
8	Tax expenses	-1,070	-820	1,342	2,829	1,571
9	<b>Profit/(loss) after Tax</b>	<b>(2,228)</b>	<b>(1,257)</b>	<b>2,963</b>	<b>5,905</b>	<b>3,133</b>
10	Dividend (including DDT)	165	161	797	1116	799
11	Non Current Assets - Net Block	8,208	8,849	7,751	6,359	2,598
12	Deferred Tax Assets	1,662	543	-	-	-
13	Long Term Loans and Advances	1,049	1,038	986	675	347
14	Other Non Current Assets	-	-	-	1,152	500
15	Current Assets	30,501	37,425	50,776	38,961	22,251
16	<b>TOTAL ASSETS</b>	<b>41,420</b>	<b>47,855</b>	<b>59,514</b>	<b>47,147</b>	<b>25,696</b>
17	Share Capital	1,372	1,372	1,372	1,372	1,372
18	Reserves & Surplus	11,494	13,988	15,405	13,239	8,449
19	Long Term Borrowings	5,029	1,861	1,657	1,962	919
20	Deferred Tax Liability	-	-	276	763	389
21	Other Long Term Liabilities	-	1,380	1,780	474	92
22	Current Liabilities	23,525	29,254	39,022	29,337	14,475
23	<b>TOTAL LIABILITIES</b>	<b>41,420</b>	<b>47,855</b>	<b>59,514</b>	<b>47,147</b>	<b>25,696</b>

### Key Financial Highlights - Performance at a Glance

Year ended 31st March	2014 - 15	2013 - 14	2012 - 13	2011 - 12	2010 - 11
Sales and Income (₹ In lakhs)	1,42,283	1,19,611	1,52,479	1,13,162	65,826
EBIDTA Profits (₹ In lakhs)	441	1,959	8,467	11,806	5,854
Profit (Loss) before tax (₹ In lakhs)	-3,298	-2,077	4,306	8,734	4,704
Profit (Loss) after tax (₹ In lakhs)	-2,228	-1,257	2,963	5,905	3,133
Net worth Adjusted(₹ In lakhs)	12,866	15,360	16,777	12,832	8,989
Equity Capital (₹In lakhs )	1,372	1,372	1,372	1,372	1,372
Book value per share (in Rs)	94	112	122	94	66
Dividend ( Incl. DDT) (₹ in lakhs)	165	161	797	1,116	799
Total outside Liabilities Adjusted (₹ in lakhs)	27,980	30,810	39,557	30,822	14,927
Number of branches in lease property	25	25	26	15	9
Number of branches in Own Property	5	5	5	5	3





## Source and Utilization of Funds

(₹. In lakhs)

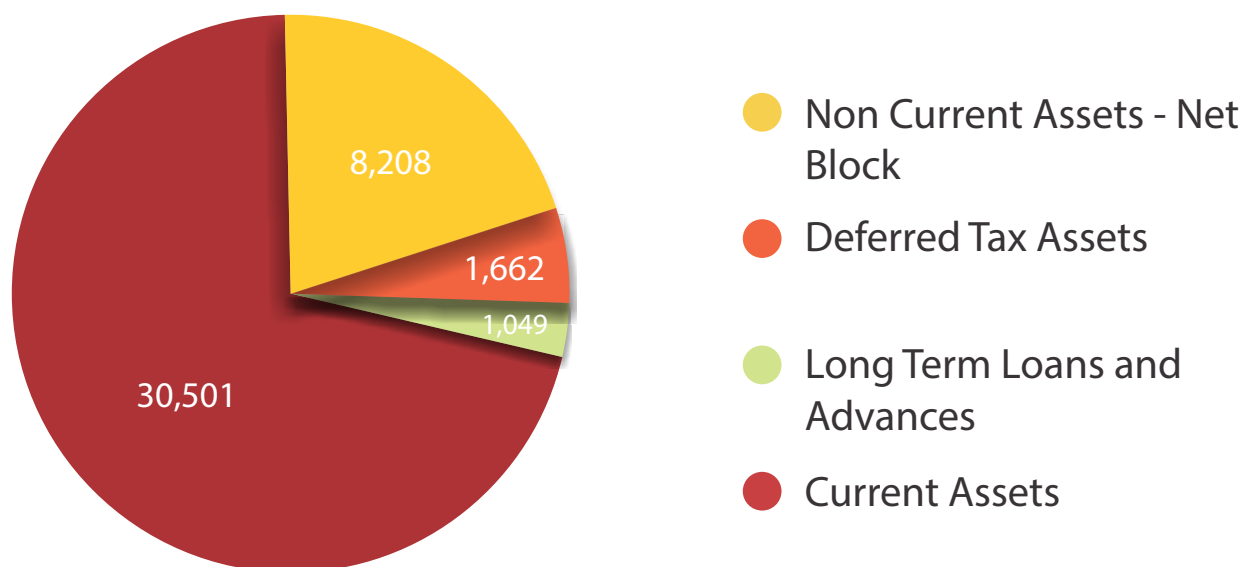
	Year ended 31st March	2014 - 15	2013 - 14	2012 - 13	2011 - 12	2010 - 11
	<b>Source of Funds</b>					
1	Funds Generated from operation					
	(a) Profit after Taxes ( net profit before tax minus tax outflow)	-3,305	-2,286	1,835	6,477	3,346
	(b) Depreciation	826	565	459	224	148
	(c ) Miscellaneous Expenditure ##	-	-	1,779	-	-
	(d ) Other Income and Adjustments	-	20	34	115	11
	<b>Total</b>	-2,479	-1,701	4,107	6,816	3,505
2	Net Increase/ Decrease in Borrowings	-5,922	-216	-2,244	13,981	6,427
		<b>- 8,401</b>	<b>-1,917</b>	<b>1,863</b>	<b>20,797</b>	<b>9,932</b>
	<b>Utilization of Funds</b>					
3	Capital Expenditure	333	1,683	1,849	3,980	1,246
4	Dividends pay out including DDT	161	797	1,116	159	800
5	Net Increase / Decrease in Working Capital #	-8,895	-4,397	-1,102	15,710	7,613
6	Miscellaneous Expenditure ##	-	-	-	948	274
		<b>- 8,401</b>	<b>-1,917</b>	<b>1,863</b>	<b>20,797</b>	<b>9,932</b>

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

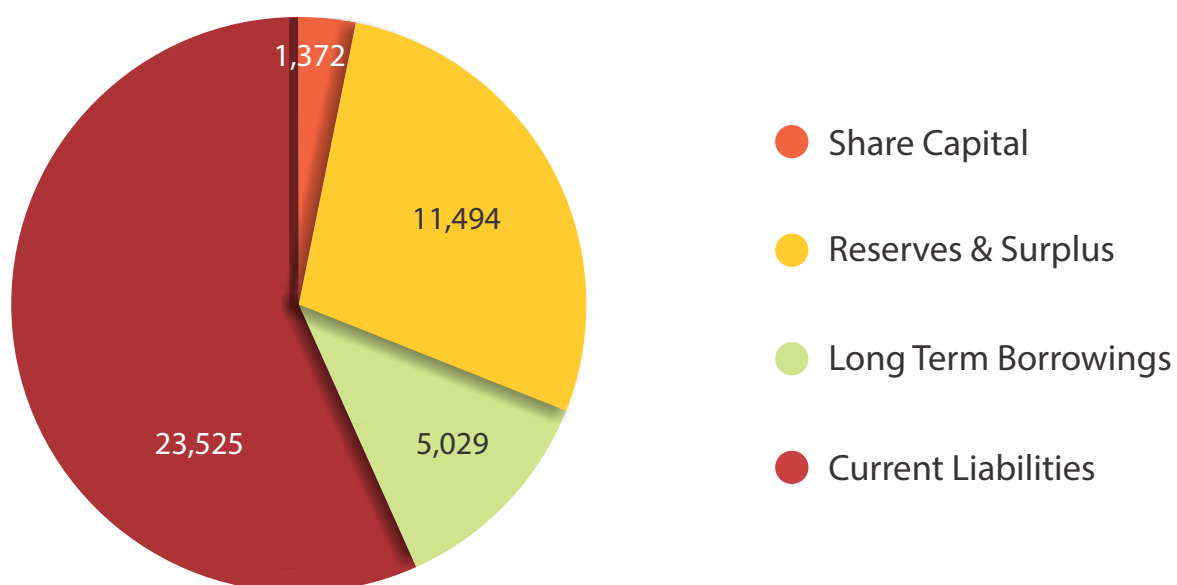
## Deferred Revenue Expenditure and Preliminary Expenses



Assets - ₹ in lakhs



Equity and Liabilities - ₹ in lakhs





# Chairman's LETTER



Dear Shareholders,

It gives me a great pleasure to place before you certain facts and on the conditions prevailing in the Jewellery trade along with the financial statement for the year 2014-15. In the backdrop of continued rural recession, caused by failed monsoon and falling rural income that resulted in the steep fall in the disposable surplus in the hands of Customers, the Company could not overcome even by volume increase the steep inventory realisation hit it encountered yet again for the second year in succession.

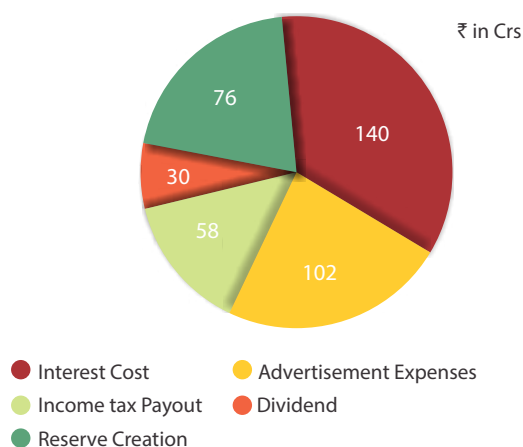
Apart from this sagging rural economic scenario, a lot of other factors like non restoration of Metal Loan facility by consortium lenders, highly competitive environment prevailed that fuelled a price war among organized retail chains, non-availability of proper & reliable gold price hedging mechanism, adverse impact felt by Government regulations continued to affect the performance of the Company, in particular and industry in general.

In this hostile business environment, the turnover recorded at ₹1,42,126 lakhs is more than satisfactory as compared to ₹1,19,130 lakhs in 13-14 registering a growth of 19%. However continuous fall in gold price quarter after quarter from ₹2,938 per gram to ₹ 2,621 per gram during the year (a fall of 11% in the year) has adversely affected realization on sale from the opening inventory by way of under realization and further inventory valuation hit that resulted in a Net Loss of ₹2,228 lakhs, as against a loss of ₹1,257 lakhs of earlier year.

As a measure of reassurance in the capability of the Company to perform better in the near future, I would like to place before you the fact that your company post public issue in the last five years achieved a turnover of more than ₹ 5,925 Crores and generated cash before charging Advertisement & Publicity, Interest expenses but after considering all other operating expenses aggregating to around ₹ 406 crs. It shows the inherent strength of the company and its brand equity exploitation business model in place in spite of last two years poor performance.



The said sum of ₹406 crs is split among Interest payments (₹140 crs), Advertisement & publicity expenses (₹102crs), income tax payment of (₹58crs), dividend payment of (₹30crs) and cash reserve creation of (₹76crs). If only normal business environment prevailed in the last two years, the cash accretion to the system could have been vibrant. I am confident in this background that the company will once again re-emerge itself to its recent glories and will resume its growth path sooner than later.



The value addition at constant price level in the product is around 14% on the base gold price. For Silver articles it is around 22% on the base Silver Price. The space to accommodate the falling gold and silver prices vs cost to the Company is not available to the industry except for MCX mechanism that is faulty and indeterminate in source allocation out of the kitty. Unless, the metal loan is reintroduced at least to the “manufacturer retailers” in full swing, there could be no solution to this impending anomaly. What is left in the hands of the agile management is to rearrange product mix in such a way that ensures a better stock turnover at a given price reality.

In my last year letter, I had indicated certain areas in the business plans that were under our control that could be targeted for better and sustained results. In line with the Goal Settings, I am happy to share with you that both our market share and customer base from where we operate have improved sizably.

Similarly our stock turnover ratio improved from 4.30 times to 5.00 times rotations based on average inventory held. Another area being cost reduction initiative in all spheres of cost management had improved a lot and our overall cost per gram sale realization on quantity sold basis reduced from ₹258 per gram to ₹160 per gram resulting in 38% cost saving.

As promised in the financial year 14-15, we demonstrated our ability to fill operational gaps and fully ready to realize the true potentials of the strategies developed in the past couple of years. In order to improve the long term margin requirements for the business, your company has raised up to ₹30 Crores as medium to long term funds from its bankers. A better stock rotation, as mentioned earlier has helped the company to bring down the interest bearing working capital borrowings from ₹213 Crores in 13-14 to ₹154 Crores in 14-15. This has resulted in interest savings of ₹5.08 Crores in the 14-15 financial year. At the same time the quantity of gold sold improved by 30% and turnover grown by 19%. This could be achieved due to better Capacity utilization of our manufacturing outfits, wherein, steps were taken to steeply reduce the production cycle of some of the popular / volume driven gold / silver ornaments and on account of effective working capital management.

The outlook going forward looks moderate and we plan to strengthen our strategies in the background of Customer & Brand loyalty built in over a period of time. In order to improve our bottom-line, we have taken further initiatives in the areas of market positioning, inventory management, appropriate pricing and cost reduction areas including interest savings etc..

The gold price is more or less stabilized in the international market. It reached a price level that is lesser than the cost of mining the gold metal. In Indian context, due to INR depreciation and continuation of 10% import duty on metal, the price of gold would hover around current level in a band of ₹2500 to ₹2600 per gram. Stable price regime will bring better demand in a sustainable manner.



With a view to uphold the credential of uninterrupted dividend payment policy of the Company, a dividend of ₹1/- per share is proposed by the Board for your approval. A one percent reduction in interest rate applied on our borrowings will improve our EPS (Before Taxes) by ₹2/- per share. On restoration of Metal Loan facility fully, our effective overall interest cost will come down by 4% which is equal to ₹8/- in EPS per share. I sincerely hope that at least in the 15-16 year, lenders will recognize this factor and oblige.

Before I conclude, I would like to place on record my heartfelt gratitude to all our employee's whose dedication and commitment is one of the main key reasons for the Company to go forward with its goals for better performance in 15-16. My thanks are also due to our consortium bankers and all our shareholders who have extended their valuable support, informed feedback and advice.

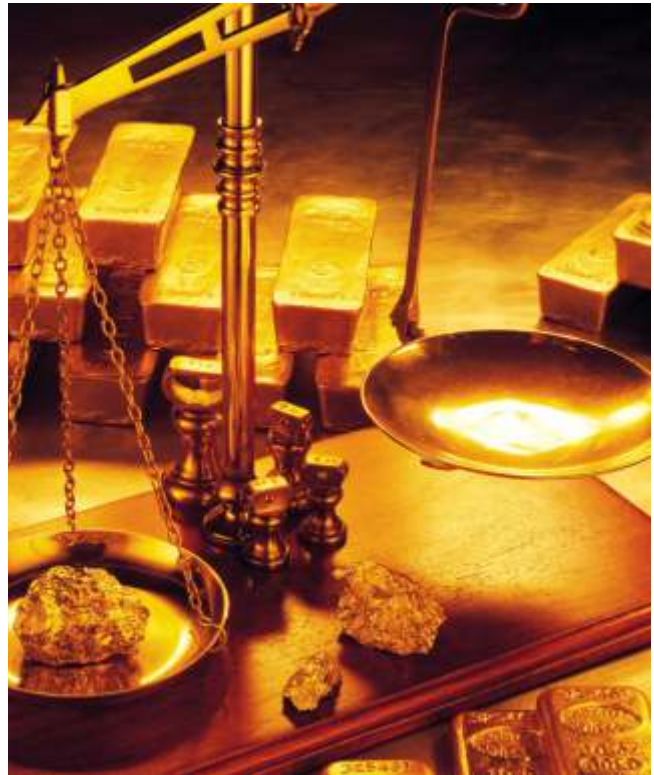
With Warm Regards,

**Balarama Govinda Das**

Chairman and Managing Director

Place – Madurai

Date – May 25, 2015



## Effective Working Capital Management

The backbone of any Retail Chain business model is that of effective management of Inventory and other Short Term Assets. Lesser the Inventory better will be the stock rotation. Better stock rotation will result in better cost amortization that would lead to improved bottom line. Apart from so many proactive initiatives taken by the management towards improvement of Net Margin in the system, the effective management of working capital enabled the Company to improve the operating profits. In spite of increase in the borrowing cost due to non-availability of concessional metal loan, the Company could reduce the interest cost on every gram of gold ornaments sold. This was possible only due to better inventory management with the help of SAP platform by fully using the application side of the in house made appropriate software for better adoption. The below given operating parameters will elucidate the contribution the effective working capital management has made to the performance of the Company.



Year ended 31<sup>st</sup> March

Description	2011-12	2012-13	2013-14	2014-15
Stock Rotation (in times)	3.5	3.5	4.3	5.0
Active Working Capital Funds deployed (₹in crs.)	390	508	374	305
Funds Borrowed for Working Capital from Banks (Outstanding) (₹in crs.)	251	318	209	133
% of bank borrowings to Current Assets	55%	63%	56%	43%
Cost of Funds	12.72%	9.55%	10.58%	^15.01%
Quantity of Gold Sold (kgs)	4107	4724	3776	4877
Cost of Interest Per gram of Gold (In ₹)	58	78	92	60

^ Due to steep increase in bank interest rate on account of complete withdrawal of concessional metal loan facility.



## Power Of The Brand

TMJL (Thangamayil) is a powerful local Jewellery brand in the southern and western districts of the state of Tamilnadu. It commands a great recall value among customers spread over these areas. The Company has spent cumulatively up to ₹102 Crores in building up the regional Brand in the past five years. In spite of acute competition, the brand is able to improve its market share in the areas it operates and improved its customer base across towns. In fact, in the last two years no big budget advertisement spent was made. But, the turnover growth was sustained due to its recall impact. It is heartening to note that the effect of brand loyalty is felt in the substantial improvement in sales growth up to 34% in 2014-15 for same stores sales and also well reflected in the number of bills made from 3.20 lakhs in 2011-12 to 6.38 lakhs in 2014-15. The brand is a household brand in Madurai and other towns nearer to it. We wish to share the following quantitative information with our shareholders to bring home the fact that Power of the Brand is superior and effective.



Description	2011-12	2012-13	2013-14	2014-15
Stock Rotation (in times)	3.5	3.5	4.3	5.0
Gold Sales in Volume (Kg)	4,107	4,724	3,776	4,887
Silver Sales in Volume (Kg)	5,169	8,464	11,149	16,946
Same Stores Sales ( SSS) growth	25%	33%	(19%)	34%
Number of Bills Made	3,19,894	4,96,588	5,31,051	6,38,185
Number of Customers given advances for future purchases	50,638	80,309	1,27,064	1,02,978*
Fixed Deposits Amount Accepted (₹ In Crs)	23.13	22.10	19.68	27.17

\* The drop in customer in advance in number is on account of compulsory redemption forced on the customer by the changed government regulations.

## A Saga Of Synergy Optimization

The Company is engaged in the business of manufacturer retailer of gold and silver ornaments, mainly operating from 30 retail showrooms spread over southern and western parts of Tamilnadu. A powerful regional player to reckon with, supported well by huge customer base and a brand to back up the business model. The business model is such that it encompasses a lot of synergies to be identified and optimized. The Company caters to the same ethnic population and therefore same products in volume could be manufactured and sold. All retail showrooms are linked to one another and positioned within 40 KMS of one another thereby logistic synergy is established. All the stores are covered under one region for insertion of Advertisement in the print media thereby effective amortized cost of publicity for each branch is very low as compared to other popular brands.

Besides, all employees are well versed with the local languages/ style / preferences of the customers as they belong to the same ethnic people and therefore ease of doing business with better conviction is demonstrated. Better utilization of Information Technology by all branches also enhances the synergy value of the Company. The shifting of products from one branch to needy branch becomes easier that in turn adds up to the betterment of inventory management of the Company. The positive impacts of these synergies are felt in the financials of the Company over a period of time.

Description	Cost Per Gram			
	11 -12	12 -13	13 -14	14 -15
Advertisement & Publicity (In ₹)	50	86	76	27
Interest Cost (Due to better Inventory Management) (In ₹)	58	78	92	60
Salary cost (In ₹)	32	46	46	43
Other Expense (In ₹)	21	31	46	29
Number of Customer Base (in Lacs)	3.20	4.97	5.31	6.38

The above list depicts the quantitative positive impact on the cost side of the business model. There are other non-quantifiable areas that are concurrently benefitting the performance of the Company in a holistic manner.

It would be fair to assume in future, given an improved business environment on expansions in the nearby places, more meaningful benefits could accrue to the Company by virtue of this synergy optimization strategy followed in a sustainable manner.



## Cyclical & Structural Changes Affecting The Company & Its Impact On Business Plan

The industry is going through both cyclical and structural changes in the past couple of years. Cyclical impact is felt in the areas of demand recession due to steep gold price correction from its peak level. Lesser the expectation of price increase means better the investment perception among customers. Once the gold re-emerges its might as an alternative for US\$, the cyclical impact will work positively and better conditions would prevail for the retail gold industry.

However, going forward, the structural transformation in the industry witnessed remains a greater obstacle.

In the area of demand, a lot of compelling competitive items like consumer durables, two wheeler vehicles and telecom utilities take a greater cake of household savings and leaving a small portion for investment backed gold ornaments items. The wedding gifts preferences changed to the above items rather than on gold ornaments that was perceived to be a social necessity. The rural wage structure is also at a declining mode with the result the disposal income in the hands of the customers got further narrowed. This anomaly is a medium term in nature and perhaps may take some more years to return to normalcy. In the areas of supply side, a lot of retail chains invaded small cities and towns that facilitated a larger choice and preferences both from price and design value parameters to the customers. The business is split among competing showrooms. The natural growth happening from the polarization impact is more than negated by the unhealthy competition prevailing among larger showrooms. The business is not growing but the supply side enlargement created disequilibrium on the price front.

A lot of Government regulations like import of gold linked to balance of payments, a 10% customs duty on gold imports, a wider gap in price parity in India for gold when compared to overseas market are some of the long term problems faced by the industry that affected adversely the prosperity of the industry.

In this backdrop, a real time transformation is required to withstand the onslaughts witnessed by the industry in the last two years. The problems are being structural in nature; it requires more time to adopt to changes in the competitive environment. Nevertheless, the company is preparing itself in a proactive manner to navigate the storm successfully by adopting to the following modified business plan / strategies.

- ✿ Improve the active stock turnover from 5 to 6 times.
- ✿ Fix the pricing in such ways that ensure 24% return on effective capital employed.
- ✿ Incentivize the employees to motivate to attain a higher inventory rotation.
- ✿ Deleverage the balance sheet to reduce the interest cost and to get improve credit rating.
- ✿ Substantially improve the own manufacturing production so that cost could be amortized effectively.
- ✿ Improve the silver articles sales to act as a recover of fixed cost in retail outlets.
- ✿ Systems driven decisions as opposed to intuitive type of decision making.
- ✿ Fuller absorption of technology from initiation to culmination of transactions at every level.
- ✿ To bring all the thirty outlets to BEP level performances.



## Directors' Report To The Shareholders

Dear Shareholders,

Your Directors have pleasure in presenting their 15th Annual Report and the Audited Accounts for the financial year ended March 31, 2015.

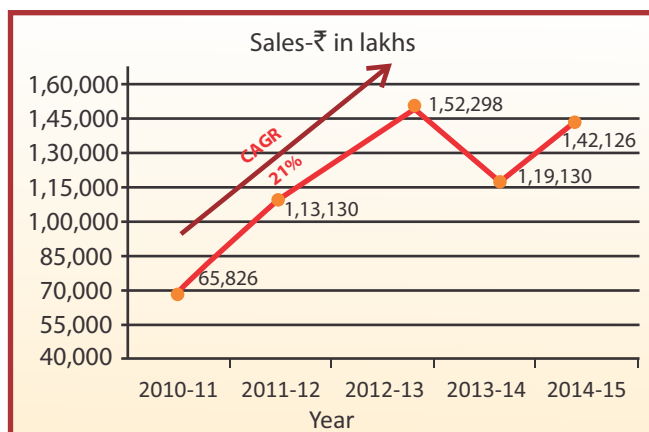
### 1) Financial Results

Highlights of Financial results for the year are as here under:

(₹In lakhs)

Particulars	2014 - 15	2013-14
Sales and Other Operating Income	1,42,283	1,19,611
Gross Profit	5,327	8,236
Earnings before Interest, Depreciation and Taxation (EBITDA)	441	1,959
Finance Cost	2,914	3,476
Depreciation	826	565
Profit/(Loss) Before Tax (PBT)	(3,298)	(2,077)
Tax	(1,070)	(820)
<b>Profit/(Loss) After Tax (PAT)</b>	<b>(2,228)</b>	<b>(1,257)</b>

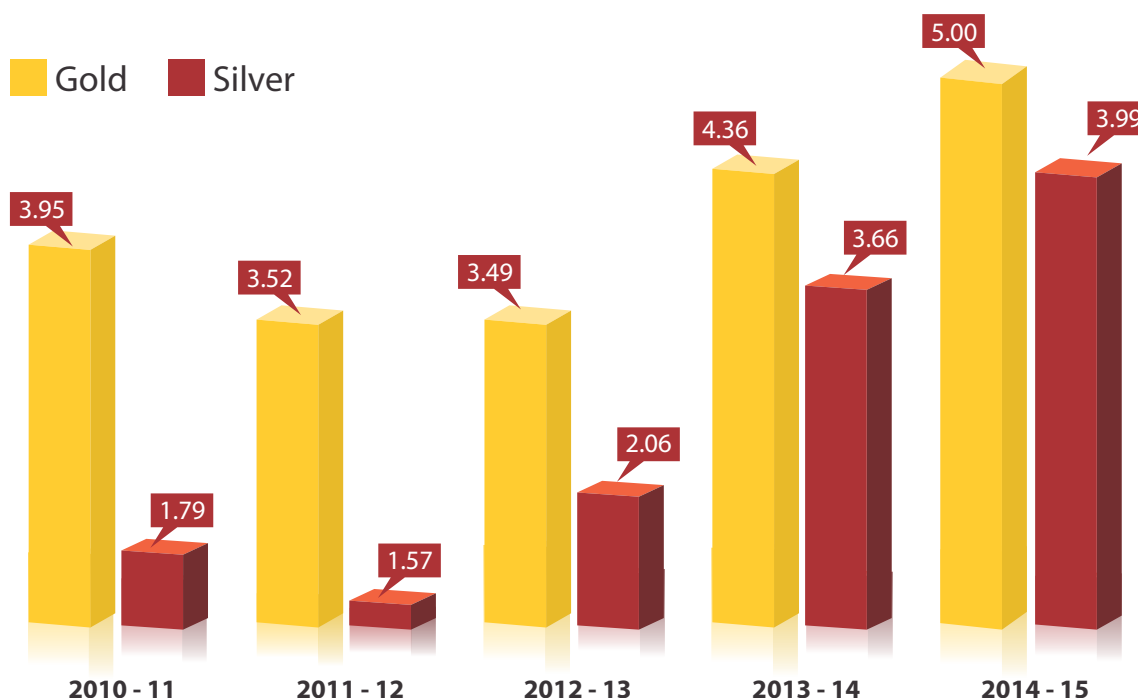
### Financial Performance



Sales and other income for the year increased by 19% to ₹1,42,283 lakhs as compared to ₹1,19,611 lakhs in 2014. During the year under review your company improved the volume off take in gold ornaments by 30% and in the case of silver articles by 52% growth as against last year. The company incurred a net loss of ₹2,228 lakhs in 2014-15 as against loss of ₹1,257 lakhs in 2013-14.

## Operating Results

### Stock Rotation in Times



On a revenue of ₹1,42,283 lakhs for the year, the company made a gross profit of ₹5,327 lakhs. However, on a metal to metal replacement basis, without considering inventory loss, the company would have made gross profit of ₹ 9,167 lakhs. Post expenses including interest outflow of ₹7,800 lakhs, the company made a cash profit of ₹1,367 lakhs. However, after giving effect to the adverse gold and silver price movement of ₹3,840 lakhs witnessed throughout the year, the company's performance has resulted in a net loss of ₹ 3,298 lakhs before tax. But for the steep reduction in gold price by 11% (₹2,938-2,621) i.e. ₹317/= per gram and silver price by 30% (53-37) i.e. ₹ 16/= per gram, amounting in aggregate to ₹ 3,840 lakhs in the year the results as attained was moderate. For the current year, we carry the inventory at the

lowest cost in the year and hopefully as per current indicators, barring unforeseen circumstances, the management is confident of achieving better results.

***Pursuant to implementation of change in depreciation methodology as per the Companies Act 2013 adopted in this year by your company has impacted results as follows.***

The Value of Assets whose useful life is exhausted as on 01-04-2014, calculated under the Companies Act, 2013, amounting to ₹100.25 lakhs (excluding Deferred Tax amount of ₹ 48.15 lakhs) have been adjusted to opening balance of retained earnings. The depreciation for the year ended 31st March 2015 is higher by ₹212.12 lakhs when compared to the computation methodology under the erstwhile Companies Act, 1956.

## Deferred Tax Assets

The Company is of the view that the business environment will become conducive to earn adequate profits in future years and will be able to recover fully the unabsorbed business and depreciation losses as per Income Tax Act and consequently the virtual certainty of recovering these losses being established. Deferred Tax Asset in accordance with Accounting Standard- 22 is recognized in the books in respect of these losses.

### *The major reasons for adverse performance are summarized hereunder*

- \* The company inspite of positive operating results post expenses could earn only part of the interest cost at EBITDA level due to steep reduction in inventory realisation on subsequent sales.
- \* The closing stock of earlier year was sold and realized at a lesser rate due to consistent fall in gold price witnessed during the major part of the year.
- \* A lot of price fluctuations favoured the customers to make use of every steep fall as a purchase opportunity. With the result, replacement purchases made at a higher level were sold at a relatively lower price during the major part of the year on a continuous basis.
- \* Withdrawal of concessional Metal Loan that was facilitating Natural Hedge cover forced the Company to settle for costly Cash Credit Facilities from the lenders that too without any hedging mechanism in place, even though pronounced reduction noticed in working capital borrowings.
- \* Monsoon failed for the successive years. All our branches are located in rural / semi urban areas where the agricultural income being the main source of income to the people dwindled.
- \* Due to steep increase in interest rate, even for the reduced utilization of limits, the Company was compelled to part relatively with huge interest and financial incidentals like processing fee, consortium charges, key man life cover charges, etc that led to a situation of under recovery of

interest in the overall performance of the Company.

- \* All these factors cumulatively resulted in the reporting of Net Loss of ₹2,228 lakhs for 14-15 against a net loss of ₹ 1,257 lakhs in 13-14.

## **2) Key Initiatives taken by the management in 14-15**

- \* Introduced a labour incentive system to promote sales in a competitive environment;
- \* Better stock rotation and lower obsolete inventory helped to curtail expenses;
- \* Participated in bank/ NBFC auctions to reduce the cost of purchase of primary gold;
- \* Significantly improved its own manufacturing portion of the finished inventory;
- \* Customer relationship management improved so that better turnover could be achieved;
- \* Aggressive pricing strategy followed to beat the competition impact that enabled to maintain and improve our market share in the areas we operate;
- \* Strictly followed the game changer plan business model as conceived for 14-15 by the Board.

## **3) Continuing Challenges**

The agony is not abated. No tangible shift in metal loan lending restoration is seen in spite of the fact that Government of India withdrew the import ban of 80:20 basis. The ground realities are far from satisfactory in conduct of operations on sustainable basis, due to prolonged recession in demand side. The shrinking business compelled competitors to extend steep and unworkable discounts to keep the business going in all respects. Due to falling gold price witnessed in the larger part of 14-15, the investment demand for gold ornament didn't take off. Excessive capacities built in inventory by new retail chains also added to the pain in the performance.

#### 4) Future prospects

No perceptible changes are noticed in the demand off take for gold jewellery in the first two months of the current year. However, the gold price is moving within a narrow range and is not affecting the inventory realization of the Company. It is hoped that stable gold price will improve the demand in the months to come. On its part, in a continuous recessionary trend witnessed in the industry, the Company had taken some more proactive steps to retain its market share with a reasonable profit margin on sales. However, falling rural wages and the near stalemate prevailing in real estate sector, will have its adverse impact on the performance. The cost reduction initiatives undertaken by the Company and the effectiveness with which the Working Capital is managed will go a long way in improving the sagging bottom line of the Company.

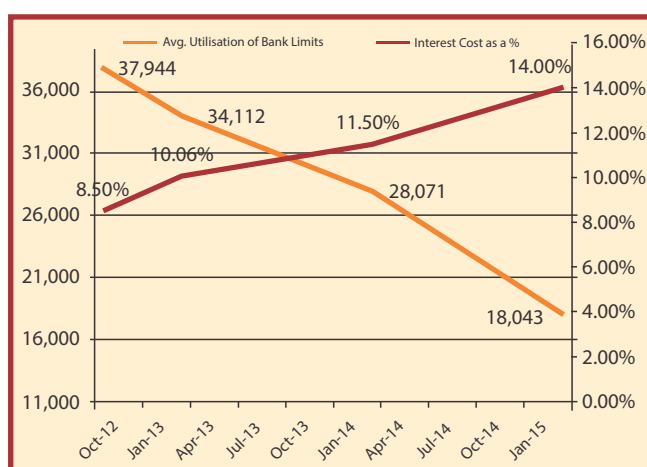
#### 5) Manufacturing facilities

The company improved its utilisation of own manufacturing facilities and with the overall cost saving obtained in own production, the company could manage the demand recession witnessed in the industry. The current capacity utilisation in our own manufacturing outfits is currently around 55% and is likely to go up to 75% in 15-16.



#### 6) Impact on deleverage of Balance Sheet

Due to demand recession and high cost of funds necessitated by withdrawal of metal loan facility by lenders forced the company to deleverage the balance sheet to an extent feasible by market conditions. The company managed to bring down the working capital borrowings from ₹ 21,285 lakhs to ₹15,378 lakhs in 31.03.15. In spite of this reduction, the gross turnover has improved by 19% in 2014-15 as against 2013-14.



The steep reduction in working capital borrowing's impact on interest payment was not felt. The lenders acted smartly by invoking "Risk reward rationale" and charged higher interest, on the industry that is already suffering due to rigid Government regulations. To bring out the ground realities, the extent to which your company was affected by this shift in stand taken by the lenders is given hereunder:

(₹. In lakhs)

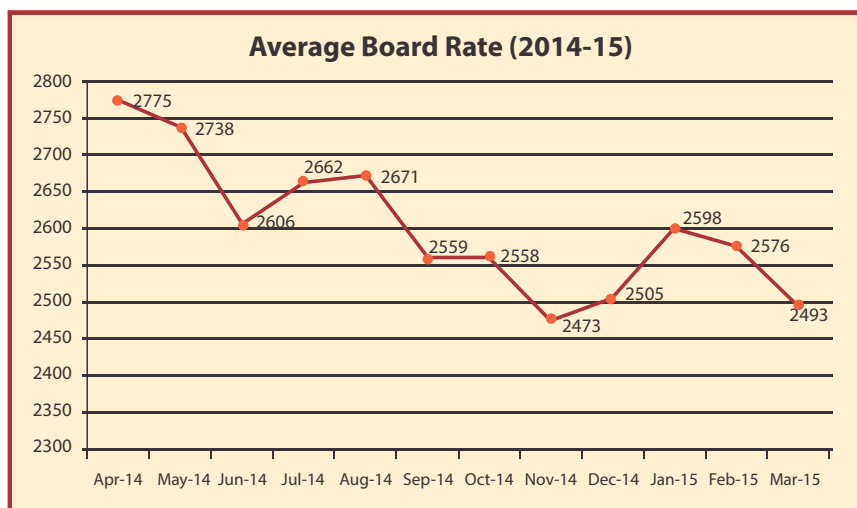
Year ended 31st March	Limits used (Average during the year)	Interest & Other charges	As a % (on loan availed)
2013	34,112	3,434	10.06%
2014	28,071	3,223	11.50%
2015	18,043	2,524	14.00%

It may be seen from the above chart that the quantum of absolute interest reduction is not commensurate to the quantum of loan exposure reduction at a given point of time. Banks always ensured to get a more than reasonable portion of the revenue accretion. This has made the management to consistently reduce the working capital borrowings even though due to sharp inventory value reduction in 13-14 and 14-15, the company could not fully earn the interest outgoes. The steps painful but in a proactive manner taken in the past two years, resulted in a steep reduction in working capital borrowings from as high as ₹ 40,400 lakhs in 12-13, to ₹ 15,378 lakhs in 14-15. The current outstanding as of date is around ₹ 11,850 lakhs only. This was made possible due to better stock rotation. The company could reduce the cost of sales in all other components in the last two years. A substantial reduction in interest cost under the current context, will become a reality in the on-going year 15-16 due to certain strategy initiatives taken by the Company in the areas of working capital management.

### **7) Hedging for gold price fluctuations**

In the absence of restoration of full facility under metal loan by lenders, the natural hedging associated with that kind of trade finance could not be availed. Slowly, some banks in the consortium started to issue SBLC to avail metal loan. We are hopeful during the first quarter of this fiscal, other banks also will fall in line. The company is inclined to cover at least 60% of

the stock by way of metal loan and customer's gold at creditor's risks. The balance 40% will be left uncovered in order to avail the cash credit facility extended by the lenders. The gold price is nearest to the bottom at 1180 US\$ per ounce and we learn that at that price gold mines would not even breakeven. Moreover, INR is overvalued by 8% based on the PPP (Purchasing power parity) factor. Of late, INR started to depreciate by 3 to 4% and expected to be in the band of 63 to 66 per dollar for some more time. The Government is not in a hurry to reduce the import duty on gold due to revenue and current account deficit considerations. The profit on long term sustainable basis for gold industry is linked to modest appreciation in gold price. This is time tested phenomenon and therefore, in the absence of viable hedging mechanism keeping up to 40% of inventory under fixed price that too at a relatively lower price of purchase is not a bad proposition. At the same time, in order to protect the company from any steep erosion of net worth, a major portion of (nearly 60% or more) gold inventory will be fixed to metal loan / customer advances category. All said and done, your company will watch and monitor the movement of gold price closely and take an appropriate call based on the then-emerging situation to ensure no real time loss / erosion to the net worth of the company in future. At the same time, what is sold on a daily basis will be covered on the same day and therefore on sales of gold ornaments, the issue of open position will not arise.



### **8) Dividend**

The Board of Directors of the Company are pleased to recommend a dividend of ₹1 /- (10%) per equity share for 2014-15 (₹1 in 2013-14) 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.

The register of members and share transfer books of the company will remain closed from 22nd July 2015 to 29th July 2015 (both days inclusive)

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### **9) Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report.

### **10) Capital Expenditure**

During the year, we capitalized ₹257 Lakhs to our gross block comprising ₹104 lakhs for Plant & Machinery and Furniture & Fittings and other assets and balance of ₹153 lakhs for Computer Equipment's including Software.

The Capital Work in Progress includes ₹ 644.85 lakhs spent on creating various infrastructural facilities required for centralized procurement, manufacturing, processing and warehousing functions relevant for the business operations that would significantly enable the competitive positioning of the Company in the Branch Net Working Expansion Plan that would be fully operational in due course of time.

For the previous year, we capitalized ₹1367 Lakhs to our gross block comprising ₹572 lakhs for Plant & Machinery and Furniture & Fittings and others and the balance of ₹795 lakhs for Computer Equipment's including Software.

### **11) Finance**

The Secured working capital borrowings of the Company as on March 31, 2015 stood at ₹15,378 lakhs (previous year ₹ 21,285 lakhs). The phased reduction was on account of reduction in inventory in line with business realities. It is also due to withdrawal of metal loan extended by bankers in the past. The company is able to manage its requirement comfortably by improving the stock rotations. Cash and cash equivalents as on 31st March 2015 stood at ₹574 lakhs (previous year ₹1,685 lakhs). Customer advances supported the company to manage to maintain its working capital requirement.

### **12) Contribution to exchequer**

The Company is a regular payer of taxes and other duties to the Government. During the year under review, due to losses, your Company has not paid any advance tax as against ₹200 lakhs paid during the previous year. The Company also paid Value Added Tax of ₹1,400 lakhs for financial year 2014-15, as compared to ₹ 1,135 lakhs paid for last financial year.

### **13) Depository system**

The trading in the Equity Shares of your Company is under compulsory dematerialization mode. As on March 31, 2015, Equity Shares representing 99.95% 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.



#### **14) 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 2015-16 have been paid to these Stock Exchanges. The Shares of the companies are compulsorily tradable in dematerialized form.

#### **15) Insurance**

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

#### **16) 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 Clause 49 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 the Clause 49 (V) of the Listing Agreement pertaining to CEO certification for the financial year ended 31st March 2015.

#### **17) 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 Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement forming part of this Annual Report.

#### **18) 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 amicable relations without any interruption in work. As on 31st March 2015, the Company has 1014 employees on its rolls as against 1053 employees in previous year.

#### **19) 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 (ACCOUNTS) RULES, 2014.

##### **a) 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.

##### **b) 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.

**c) Foreign Exchange Outgo**

(₹. In lakhs)

Particulars	2014-15	2013-14
Travelling Expenses	-	12.03
Purchase of Goods	-	2,568.70

**20) Particulars of Employees and Related Disclosures**

In term 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 proviso 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 registered 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**

The Company has adopted the following measures concerning the development and implementation of a

Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself.

**22) Potential Risks, Concerns and Mitigation Plan**
***Risk of loss of Positioning in the market place***

Due to severe 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.

***Monsoon***

Monsoon failure for successive years in southern parts of Tamilnadu 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. Rising inflation and high interest rates are other areas of concern that would deplete the residual income of the people to be spent on discretionary items like gold ornaments. 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.

***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.

Withdrawal of metal loan facility forced the industry to establish hedge against gold price movement with commodity exchange instruments which are cost prohibitive. Therefore in the absence of natural hedging facility, the trade is left with no viable alternative except to leave a large portion of gold unhedged. Your Board will take appropriate action in managing the fluctuation impact in gold price movement from time to time. Post RBI circular on restoration of metal loan some of our consortium bankers have reintroduced to SBLC facilities to avail metal loan and other banks may follow suit in 2015-16.

### **Human Capital Risks**

Human Resources risks could arise from the non-availability of an adequately trained workforce. In order to mitigate this risk, the Company has in-house training programs and Operational development workshops and organised mentoring from management to motivate employees/supervisors and to attract and retain skilled/ trained personnel.

### **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.

### **23) Details of policy developed and implemented by the Company on its Corporate Social Responsibility initiatives**

Based on last three years average Net profit, the Company is entitled to spend a sum of ₹ 73.09 lakhs in the year 2014-15. The company is working out for schemes that could result in enduring benefits to the

community at large. The Company shall find out ways and means to spend the same in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend the money before finalising this report as the time was too short to identify suitable projects for spending the same.

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

### **24) 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**".

**25) Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports**

There were no qualifications, reservations or adverse remarks made either by the Auditors or by the Practicing Company Secretary in their respective reports.

**26) 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.

**27) 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 furnished in "Annexure 5" (MGT 9) and is attached to this report.

**28) Number of Board Meetings conducted during the year under review**

The Company had 6 Board meetings during the financial year under review.

**29) 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(3)(c) of the Companies Act, 2013:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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;
- c) the directors had 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had 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.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**30) Subsidiaries, Joint Ventures and Associate Companies**

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

### 31) Fixed Deposits

The details of deposits accepted/renewed during the year under review are furnished hereunder

S.No	Particulars	(₹. In lakhs)
1	Amount accepted during the year	1274.94
2	Amount remained unpaid or unclaimed as at the end of the year	0.53
3	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

There was no Director who got re-elected/ reappointed during the year under review Mrs.Yamuna Vasini Deva Dasi who was appointed as Additional Director on 04.02.2015 and holds the said office till the date of the Annual General Meeting. A notice has been received as required under Companies Act from a shareholder signifying his intention to propose Mrs.Yamuna Vasini Deva Dasi as director of the company. The board of directors of the company recommend her appointment at the ensuing Annual General Meeting.

Mr.N.B.Kumar, director of the Company retires by rotation and being eligible seeks reappointment. Your Board recommends his reappointment.

### 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 program arranged for independent directors have been disclosed on website of the company and are available at [www.thangamayil.com](http://www.thangamayil.com)

### 34) Annual Evaluation by the Board

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

1. Attendance of Board Meeting and Board Committee Meetings
2. Quality of Contribution to Board deliberations
3. Strategic perspectives or inputs regarding future growth of Company and its performance
4. Providing perspectives and feedback going beyond information provided by the management
5. 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.



### **35) Statutory Auditors**

The Company's Auditors, M/s B.Thiagarajan & Co , Chartered Accountants, Chennai who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

### **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) 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.

### **38) 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.

### **39) 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.

### **40) Disclosure of composition of Audit Committee and providing vigil mechanism**

The Audit Committee consists of the following members

- a. Shri. S.Rethinavelu - Chairman
- b. Shri. V.R.Muthu - Member
- c. Shri. Ba.Ramesh - Member

The above composition of the Audit Committee consists of Independent Directors viz., Shri. S. Rethinavelu and Shri. 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.

#### **41) Shares**

##### **a. Buy Back Of Securities**

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

##### **b. Sweat equity**

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

##### **c. Bonus shares**

No Bonus Shares were issued during the year under review.

##### **d. Employees Stock Option Plan**

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

#### **42) 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.

#### **43) 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 Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your 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 25, 2015

**ANNEXURE 1 - TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**

Statement of particulars as per Rule 5 of Companies (Appointment and remuneration of Managerial personnel) Rules, 2014.

- 1) 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	Shri. Balarama Govinda Das	25:1
2	Shri. Ba. Ramesh	25:1
3	Shri. N.B. Kumar	25:1

- 2) 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	Shri. Balarama Govinda Das	25%
2	Shri. Ba. Ramesh	25%
3	Shri. N.B. Kumar	25%
4	Shri. CS.V. Vijayaraghavan (Company Secretary)	Nil

- 3) The percentage increase in the median of remuneration of employees in the financial year. - 10%
- 4) The number of permanent employees on the rolls of Company - 1014
- 5) The explanation on the relationship between average increase in remuneration and Company Performance

The Company incurred a loss of ₹ 2,228 lakhs for the year as against a loss of ₹ 1,257 lakhs. of earlier year. An increase in Loss of 77.25 % against which the average Increase in remuneration is 10 % and the Increase is aligned with the compensation Policy of the Company.

- 6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company



S. No.	Name of the Director	Designation	Remuneration of Key Managerial Personnel ₹ in lakhs	Performance of the Company for the year ended 31st March, 2015
1	Shri. Balarama Govinda Das	Managing Director	60.00	The Company incurred a loss of ₹2,228 lakhs for the year ended 31st March 2015 as against loss of ₹1,257 lakhs in previous year.
2	Shri. Ba. Ramesh	Joint Managing Director	60.00	
3	Shri. N.B. Kumar	Joint Managing Director	60.00	
4	Shri. CS.V. Vijayaraghavan	Company Secretary	10.50	

7) 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.	Particular	As at 31st March 2014	As at 31st March 2015	% Performance
1	Market Price in ₹	138.40	194.80	41% Increase
2	Market Capitalization in ₹ lakhs	189.88	267.25	
3	EPS	(9.16)	(16.24)	
4	Price Earnings Ratio	(20)	(16)	

Percentage increase over the last public offer price is not relevant as there has never been any public offer by the Company

8) 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: 10%
- ✱ Average increase in the remuneration of KMPs: 23%
- ✱ Justification: KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.



- 9) Comparison of the each remuneration 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.

- 10) The Key parameters for any variable components of remuneration availed by the directors - Nil
- 11) The ratio of the remuneration of the highest paid director to that of the employees who are not directors by receive remuneration in excess of the highest paid director during the year - Nil
- 12) We affirm that the remuneration is as per the remuneration policy of the Company.

#### **ANNEXURE TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**

1. 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, 2015.

a) Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹60,00,000/- per annum.

S. No.	Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration Rs.	Last Employment
1	Shri. Balarama Govinda Das	24.3.2000	Managing Director	B.Com	59	35	60,00,000	Promoter Director
2	Shri. Ba. Ramesh	24.3.2000	Joint Managing Director	SSLC	54	23	60,00,000	Promoter Director
3	Shri. N.B. Kumar	24.3.2000	Joint Managing Director	SSLC	48	17	60,00,000	Promoter Director

b) Employed for part of the year and were in receipt of remuneration at the rate of not less than ₹ 5,00,000/- per month : None

#### **Notes:**

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

On behalf of the Board of Directors

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 in Report on Corporate Governance
2	The Composition of the CSR Committee	<b>Chairman</b> - Shri. Balarama Govinda Das <b>Members</b> - Shri. Lalji Vora Shri. Ba. Ramesh Shri. N. B. Kumar Shri. CS. V. Vijayaraghavan
3	Average net profit of the company for last three financial years	₹ 3654.33 lakhs
4	Prescribed CSR expenditure (two percent of the amount)	₹ 73.09 lakhs
5	Details of CSR spent during the financial year. Total Amount to be spent for the financial year  Amount unspent.  Manner in which the amount spent during the financial year is detailed below.	₹ 73.09 lakhs  ₹ 73.09 lakhs  NA
6	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reason for not spending the amount its Board report.	The Company shall find out ways and means to spend the same in the coming months and shall submit the relevant report in the ensuing year. The Company could not spend the money before finalising this report as the time was too short to identify suitable project.
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

Date : May 25, 2015

### 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:

S. No.	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:

S. No.	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 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)	
1	Shri. R.Gokul S/o. Shri.Ba.Ramesh  (Joint Managing Director)	Appointment in the Company as Head – E-Commerce	Regular appointment as per Company's rules	Incharge of E-Commerce portal – salary of Rs.1 lakh per month	Requirement of regular employment service in the Company.	15th September 2014	Nil	N.A.
2	Shri. N.B.Arun S/o. Shri. Balarama Govinda Das  (Managing Director)	Appointment in the Company as Head - Manufacturing	Regular appointment as per Company's rules	Incharge of Manufacturing - salary of Rs.1 lakh per month	Requirement of regular employment service in the Company	15th September 2014	Nil	N.A.



## **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 Clause 49 of the Equity Listing Agreement.

3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

### **4. Policy:**

#### **4.1. Qualification and criteria**

4.1.1. The Nomination and Remuneration 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 global operations.

4.1.2. In evaluation the suitability of individual Board members, the Nomination and Remuneration 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 fulfill 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 Nomination and Remuneration 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 Nomination and Remuneration 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 Clause 49 of the Equity Listing Agreement, 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

f) Shall possess such other qualifications as may be prescribed.

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 Nomination and Remuneration 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 Clause 49 of the Equity Listing Agreement..

#### **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 (Nomination and Remuneration) 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 Nomination and Remuneration 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) Retrial Benefits

(vi) Annual Performance Bonus

4.1.4. The Annual Plan and objectives for Executive Directors and Senior Executives (Executives Committee) shall be reviewed by the Nomination and Remuneration 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 Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive 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 as 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 sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## ANNEXURE 5

**EXTRACT OF ANNUAL RETURN** as on the financial year ended on 31.03.2015 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### Form No. MGT-9

#### I. REGISTRATION AND OTHER DETAILS

CIN	<b>L36911TN2000PLC044514</b>
Registration date	24-03-2000
Name of the Company	Thangamayil Jewellery Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	124 Nethaji Road, Madurai Tel No: 0452-2345553
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. CONSULTANTS LIMITED Kanapathy 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
- NIL -				



**IV. SHAREHODLING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS % OF TOTAL EQUITY):-****i) Category-wise Share Holding**

		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
S. No.	Category of Shareholder	DEMAT	Physi-cal	Total	% of Total Shares	DEMAT	Physi-cal	Total	% of Total Shares	% of Change
(A)	Shareholding of Promoter and Promoter Group2									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	87,23,943	-	87,23,943	63.59	87,24,153	-	87,24,153	63.59	0.00
(b)	Central Govt	-	-	-		-	-	-		
(c)	State Govt	-	-	-		-	-	-		
(d)	Bodies Corporate	9,27,008	-	9,27,008	6.76	9,27,008	-	9,27,008	6.76	0.00
(e)	Banks/FI	-	-	-		-	-	-		
(f)	Any Others	-	-	-		-	-	-		
	Sub Total(A)(1)	96,50,951		96,50,951	70.35	96,51,161	-	96,51,161	70.35	0.00



<b>2</b>	<b>Foreign</b>									
(a)	NRI-Individuals	-	-	-		-	-	-		
(b)	Other-Individuals									
(c)	Bodies Corporate	-	-	-		-	-	-		
(d)	Banks/FI	-	-	-		-	-	-		
(e)	Any Others(Specify)	-	-	-		-	-	-		
	Sub Total(A)(2)	-	-	-		-	-	-		
(A)	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	96,50,951	-	96,50,951	70.35	96,51,161	-	96,51,161	70.35	0.00
(B)	Public shareholding									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	56,172	-	56,172	0.41		-	10,28,775	7.50	+7.09
(b)	Banks/FI	-	-	-		-	-	-		
(c)	Central Govt	-	-	-		-	-	-		
(d)	State Govt	-	-	-		-	-	-		
(e)	Venture Capital Funds		-	-		-	-			
(f)	Insurance Companies	-	-	-		-	-	-		-
(g)	FIIS	1,62,331		1,62,331	1.18	-	-	-		-1.18
(h)	Foreign Venture Capital Funds/ other	-	-	-		-	-	-		
	Sub-Total (B)(1)	2,18,503	-	2,18,503	1.59	10,28,775	-	10,28,775	7.50	+5.91



<b>B2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate									
	i) Indian	12,23,397		12,23,397	8.91	12,93,743	-	12,93,743	9.43	+0.52
	ii) Overseas	-	-	-		-	-	-		
(b)	Individuals									
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	5,94,697	7,000	6,01,697	4.39	5,18,632	7,000	5,25,632	3.83	-0.56
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	14,66,258	-	14,66,258	10.69	7,41,961	-	7,41,961	5.41	-5.28
(c)	Others (specify)	-	-	-		-	-	-		
i)	NRI	16,160	-	16,160	0.12	14,374	-	14,374	0.10	-0.02
ii)	Clearing Members/ Clearing House	1,18,449	-	1,18,449	0.86	47,967	-	47,967	0.35	-0.51
iii)	HUF	4,24,167	-	4,24,167	3.09	4,15,969	-	4,15,969	3.03	-0.06
	Sub Total(B)(2)	38,43,128	7,000	38,50,128	28.06	30,32,646	7,000	30,39,646	22.16	-5.91
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	40,61,631	7,000	40,68,631	29.66	40,61,421	7,000	40,68,421	29.65	0.00
	TOTAL (A)+(B)	1,37,12,582	7,000	1,37,19,582	100.00	1,37,12,582	7,000	1,37,19,582	100.00	
(C)	Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	
	GRAND TOTAL (A)+(B)+( C )	1,37,12,582	7,000	1,37,19,582	100.00	1,37,12,582	7,000	1,37,19,582	100.00	

**ii) Shareholding of Promoters**

Share holders 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	
Bala Rama Govinda Das	28,57,329	20.83	17.23	28,57,329	20.83	19.56	
Ramesh Ba	28,81,603	21.00	17.07	28,81,603	21.00	19.39	-
Kumar N B	28,41,241	20.71	17.32	28,41,451	20.71	19.66	0.00
B Annamayil	10	0.00	-	10	0.00	-	-
Yamuna Vasini Deva Dasi	20,200	0.15	-	20,200	0.15	-	-
B.Rajeshkanna	21,480	0.16	-	21,480	0.16	-	-
Balasubbu Prasannan	21,480	0.16	-	21,480	0.16	-	-
B R Sumati	200	0.00	-	200	0.00	-	-
K Thamarai Selvi	22,500	0.16	-	22,500	0.16	-	-
Narayanan Balasubbu Arun	22,300	0.16	-	22,300	0.16	-	-
Balusamy Ramesh Darmini	22,300	0.16	-	22,300	0.16	-	-
Gokul Ramesh	13,300	0.10	-	13,300	0.10	-	-
Thangamayil Gold And Diamond Private Ltd	7,01,671	5.11	-	7,01,671	5.11	-	-
Balusamy Silvears Jewellery Private Ltd	2,25,337	1.65	-	2,25,337	1.65	-	-
<b>Total</b>	<b>96,50,951</b>	<b>70.35</b>	<b>-</b>	<b>96,51,161</b>	<b>70.35</b>	<b>-</b>	<b>0.00</b>



**(iii) Change in Promoter's Shareholding (Please specify, if there is no change)**

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1	At the beginning of the year	96,50,951	70.35	96,50,951	70.35
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat Equity	210 (30.04.2014)	0.0015	210	0.0015
3	At the End of the year	96,51,161	70.35	96,51,161	70.35

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

Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding
SBI Mutual Fund Group #	-	-	10,28,775	7.50
Emerald Jewel Industry India Limited *	6,24,450	4.55	6,24,450	4.55
N Ramachandran @	6,04,725	4.41	-	-
Panna Lal C Kothari HUF *	3,78,500	2.76	3,91,000	2.85
N Lakshminarayanan *	1,94,492	1.42	3,028	0.02
Fidelity Investment Trust @	1,62,331	1.18	-	-
Aadi Financial Advisors LLP *	1,28,001	0.93	1,73,001	1.26
Shardul Securities Limited *	1,21,500	0.89	1,11,500	0.81
Madhuri Kela #	-	-	1,05,000	0.77
Akash Bhansali *	1,00,000	0.73	1,00,000	0.73
Lakshmanan Sivakumar *	93,153	0.68	93,153	0.68
Aroni Chemicals Ltd #	-	-	86,000	0.63
Marco Private Limited *	76,000	0.56	76,000	0.56

\* Common top 10 Shareholders as on April 2014 and March 2015

@ Top 10 Shareholders only as on April 1, 2014

# Top 10 Shareholders only as on March 31, 2015

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

Each of the Directors	Shareholding at the beginning of the Year		Shareholding at the end of the Year	
	No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
Shri. Balarama Govinda Das	28,57,329	20.83	28,57,329	20.83
Shri. Ba. Ramesh	28,81,603	21.00	28,81,603	21.00
Shri. N.B. Kumar	28,41,241	20.71	28,41,451	20.71
Shri. Yamuna Vasini Deva Dasi	20,200	0.15	20,200	0.15
<b>Total</b>	<b>8,600,373</b>	<b>62.69</b>	<b>8,600,583</b>	<b>62.69</b>

KMP	Shareholding at the beginning of the Year		Shareholding at the end of the Year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
Shri. V. Vijayaraghavan, Company Secretary	160	0.0011	160	0.0011
<b>Total</b>	<b>160</b>	<b>0.0011</b>	<b>160</b>	<b>0.0011</b>

**V. INDEBTEDNESS:-**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
I) Principal Amount	21,285.48	391.00	1,967.88	23,644.33
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due			112.45	112.45
<b>Total (i+ii+iii)</b>	<b>21,285.45</b>	<b>391.00</b>	<b>2,080.33</b>	<b>23,756.78</b>





Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
Addition	+2,750.00	+625.00	+782.96	+4,157.96
Reduction	-5,902.19	0.00	-	-5,902.19
<b>Net Change</b>	<b>-3,152.19</b>	<b>+625.00</b>	<b>+782.96</b>	<b>-1,744.23</b>
Indebtedness at the end of the Financial Year				
i) Principal Amount	18,133.26	1,016.00	2,716.95	19,149
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	146.33	146.33
<b>Total (i+ii+iii)</b>	<b>18,133.26</b>	<b>1,016.00</b>	<b>2,863.28</b>	<b>22,012.54</b>

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

Sl. no.	Particulars of Remuneration	Balarama Govinda Das (MD)	Ba. Ramesh (JMD)	N.B. Kumar (JMD)	Total Amount ₹ Lakhs
1	Gross salary	60.00	60.00	60.00	180.00
	(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	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>60.00</b>	<b>60.00</b>	<b>60.00</b>	<b>180.00</b>

**B. Remuneration to other directors:**
**1.Independent Directors**

Sl. no.	Particulars of Remuneration	Name of Director			Total Amount ₹ Lakhs
		Shri. V.R Muthu	Shri. Laji Vora	Shri. S.Rethivavelu	
1	Fee for attending Board Committee Meetings.	0.20	0.20	0.20	0.60
2	Commission	-	-	-	-
3	Others, Please Specify	-	-	-	-
	<b>Total (B) (1)</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.60</b>

**2.Other Non Executive Directors**

Sl. no.	Particulars of Remuneration	Name of Director		Total Amount ₹ Lakhs
		T.R. Narayanasamy	Mrs. Yamuna Vasini Deva Dasi	
1	Fee for attending Board Committee Meetings.	0.10	-	0.10
2	Commission			
3	Others, Please Specify			
	<b>Total (B) (2)</b>	<b>0.10</b>	<b>-</b>	<b>0.10</b>
	<b>Total (B)=(1+2)</b>			<b>0.70</b>

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Sl. no.	Particulars of Remuneration	Shri. CS. V. Vijayaragavan Company Secretary	Total Amount ₹ Lakhs
1	Gross salary	10.59	10.59
	(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	-	-



Sl. no.	Particulars of Remuneration	Shri. CS.V. Vijayaragavan Company Secretary	Total Amount ₹ Lakhs
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- Others, specify...	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>10.59</b>	<b>10.59</b>

## VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:-

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/ NCLT / COURT)	Appeal Made, if any (give Details)
A. COMPANY					
Penalty	- None -				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	- None -				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	- None -				
Punishment					
Compounding					

**ANNEXURE 6 - SECRETARIAL AUDIT REPORT**

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

To,  
The Members,  
Thangamayil Jewellery Limited,  
Madurai.

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Thangamayil Jewellery Limited'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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Thangamayil Jewellery Limited for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 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 & Exchange Board of India (Issue of Capital & 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

#### **I 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

I further report that during the audit period there were no specific events/actions having a major bearing of the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

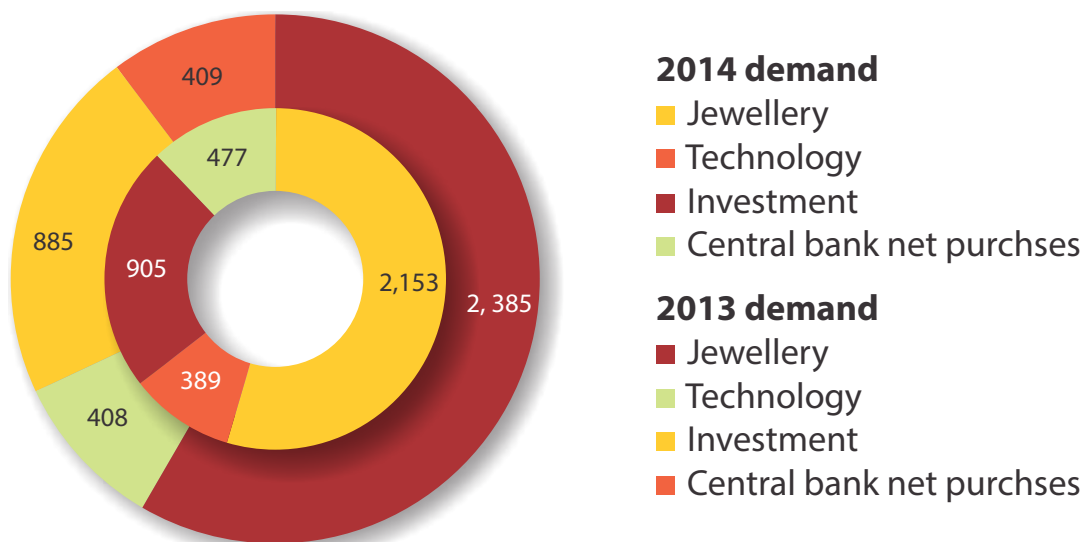
-Sd-  
S.Muthuraju

Practicing Company Secretary  
(ACS No. : 8825)  
(C P No.: 4181)

Place : Madurai  
Date : May 25, 2015

## MANAGEMENT DISCUSSION AND ANALYSIS

Demand for gold totalled 3,923.7 tonnes (t) in 2014. Jewellery demand was down 10% to 2,152.9t, but 5% above its five-year average. Investment rose 2% to 904.6t, although bar and coin fell from the 2013 record. Central banks bought 477.2t, close to a 50-year high. Continued substitution pushed technology to an 11-year low of 389t. Total supply was flat: mine production was a record 3,114.4t while recycling fell to a seven-year low.



Source: GFMS, Thomson Reuters; World Gold Council

The gold market ended 2014 on a strong footing: Q4 demand grew from 930.0t to 987.5t (+6%). The annual total of 3,923.7t was down 4% year-on-year – not surprising as consumer demand in 2014 was never likely to match 2013's record surge. Year-on-year comparisons for the last few quarters have been coloured by the singular strength in jewellery, bar and coin demand in 2013. Total supply at 4,278.2t was little changed; an increase in mine supply was balanced by a further decline in recycling volumes.

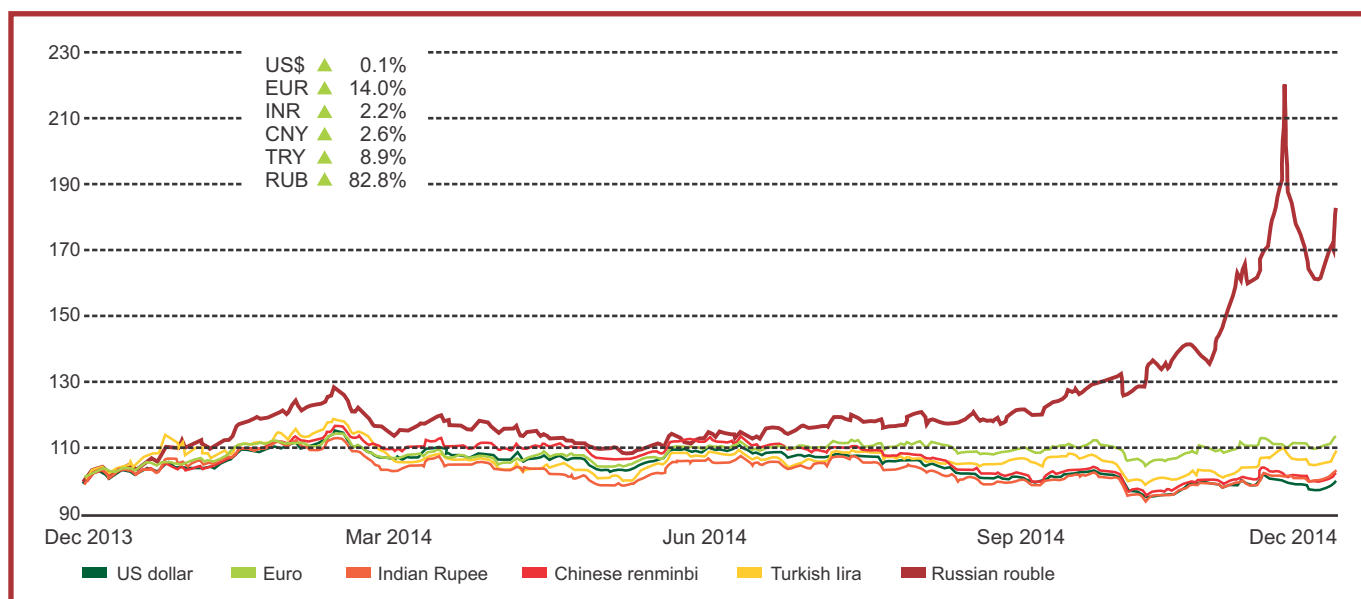
We have previously highlighted the stability of the gold price throughout 2014. Volatility was relatively low and the price closed the year little changed from its opening level. At least, this is the story when considering gold in US dollars. For consumers outside of the US, the picture was a little different as currency fluctuations took local gold prices on a different path.

In Europe, the price rose by 14% over the course of the year as the single currency weakened versus the dollar. The robust price likely helped to sustain demand for bars and coins across the region. The most notable currency-related impact on local gold prices was in Russia. Sagging oil revenues and western-imposed sanctions led to the sharp depreciation of the rouble in the final few months of the year, prompting a sharp rise in the local gold price. The impact on gold jewellery demand was immediate. Modest increases in the local gold prices in both India and China conceal some considerable fluctuations throughout the year, although nothing on the scale of the moves seen in 2013.



rt 1: Currency movements have caused divergent gold prices

Gold price index in various currencies (31 December 2013 = 100)



- US dollar strengthened against a range of currencies during 2014. Gold priced in euros, Indian rupee and Turkish lira closed the year moderately higher.
- The collapse of the rouble towards the end of the year caused an extreme spike in Russian gold prices, which hit Q4 demand.

Source: The London Gold Market Fixing Ltd; Thomson Reuters Datastream; World Gold Council

## INTRODUCTION

The Gems and jewellery sector in India plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive. The government of India has declared the sector as a focus area for export promotion based on its potential for growth and value addition. The government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote brand India in the international market.

The domestic gems and jewellery industry had a market size of ₹ 251,000 crore (US\$ 40.45 billion) in 2013, and has the potential to grow to ₹ 500,000–530,000 crore (US\$ 80.59-85.43 billion) by 2018, according to a study by a leading industry body. The study also projected that the country's gems and jewellery market could double in the next five years. The growth will be driven by a healthy business environment and the government's investor friendly policies. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour.

India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 95 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). The industry is projected to generate up to US\$ 35 billion of revenue from exports by 2015.

India's gems and jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. In FY14, India's gems and jewellery sector contributed US\$ 34,746.90 million to the country's FEEs.

### **MARKET SIZE**

According to a report by Research and Markets, the Jewellery Market in India is expected to grow at a AGR of 15.95 per cent over the period 2014-2019.

The gold jewellery exports from India were US\$ 554.45 million in December 2014, while silver jewellery exports were US\$ 148.49 million, according to the latest data released by the Gems and Jewellery Export Promotion Council (GJEPC).

The cumulative foreign direct investment (FDI) inflows in diamond and gold ornaments in the period April 2000-December 2014 were US\$ 476 million, according to Department of Industrial Policy and Promotion (DIPP).

FY14 saw an increase of 12.65 per cent in export of cut and polished diamonds with the segment reaching US\$ 19,635 million. The industry also witnessed a rise of 11.98 per cent in imports of rough diamonds with figures of US\$ 16,716 million. India imported 163.11 million carats of rough diamonds worth US\$ 16.34 billion and exported 36.46 million carats of polished diamonds valued at US\$ 20.23 billion in 2013. The country exported gems and jewellery worth US\$ 36.04 billion in 2013.

Also, platinum jewellery could breach the Rs 2,500 crore (US\$ 402.95 million) mark in FY15, according to research by IKON Marketing Consultants.

### **GOVERNMENT INITIATIVES**

The Reserve Bank of India (RBI) has liberalised gold import norms. With this, star and premier export houses can import the commodity, while banks and nominated agencies can offer gold for domestic use as loans to bullion traders and jewelers. Also, India has signed a Memorandum of Understanding (MoU) with Russia to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer. The Government of India is planning to establish a special zone with tax benefits

for diamond import and trading in Mumbai, in an effort to develop the city as a rival to Antwerp and Dubai, which are currently the top trading hubs for diamond.

In another significant development, the Gems and Jewellery Skill Council of India is planning to train over four million persons till 2022 as the sector is facing shortage of skilled manpower. The council aims to train, skill and enhance 4.07 million people by 2022. The council will tie-up with the existing training institutes including Gemmological Institute of America (GIA) and Indian Gemmological Institute (IGI), along with setting up of new institutes in major diamond cutting and processing centres. Gems & Jewellery Export Promotion Council (GJEPC) said in a statement here.

### **ROAD AHEAD**

In the coming years, growth in the industry would be highly contributed with the development of the large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. These players are also offering financing schemes to consumers to further boost sales. 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 stabilisation 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.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

Gems and Jewellery is an important emerging sector in the Indian Economy. Ranked among the fastest growing sectors, it is also a leading sector for foreign exchange generation. (Source: [www.indianbusiness.nic.in](http://www.indianbusiness.nic.in)).

According to a recent study, India and China are now emerging as one of the leaders in the global jewellery industry in terms of consumption, besides production and trade. The countries jointly would account for over 30 per cent of global diamond market in 2016. India possesses world's most competitive gems and jewellery market due to its low cost of production,

highly skilled, low-cost and best artisan force for designing and crafting jewellery. (Source: www.ibef.org)

### **INDIA'S RURAL AND MIDDLE CLASS POPULATION DEMAND**

The total population of the Country as a whole is 1.21 billion with 51 head counts added every minute as per latest Census 2011 data. From out of the present 28 states, Tamil Nadu is one of the most important states in the country being 11th largest in terms of area. It is the seventh most populous state in the country with a density of about 555 every Sq KM. with a growth rate of 15% in the state whilst the median age of the citizen being 25 years. Literacy rate is 80% and sex ratio is 995:1000. Both exceed the national average as per latest census 2011 data. Further Income earning population is expected to grow from the present level of 40% to 50% in the financial year 2014-15.

All above factors will certainly fuel consumption growth of Jewellery industry as the middle class population spends half of the earnings for day to day household requirements while the balance is the 'nest egg' with Gold and Jewellery as a part of the nest.

With rising young population combined with above intriguing facts, the jewellery industry has significant potential for growth. A well integrated rural India believes in gold more as securing by investment item and it will continue to be backbone of the Indian economy and particularly for influencing gold Jewellery demand.

### **BRANDED JEWELLERY**

Jewellery retailing in India is undergoing a slow and steady transformation from a largely unorganized sector to a more organized one. While the family owned jewellery store remains the predominant retail format, new formats such as boutiques, outlet in the Shopping Malls and gold souks are emerging for jewellery retail.

Branded jewellery has been a relatively recent phenomenon in India but is growing in robust pattern. The regional outlets are getting upgraded to national level and some of the house names that were

conservative in the past have become aggressive players in last couple of years. This trend is fast gaining momentum with middle level retail players. The trend is very positive considering that popular celebrities are tagged as ambassadors to the brand which is a new trend well taken by the branded jewellery as compared to peers in the unorganized segment of the jewellery industry. In the near future with the present trend of consumers preference to organized sector the transformation would take place and more organized players would emerge as successful outlets thus paving way for bigger market share for the organized sector which in turn will augur for a healthy competition.

### **SEASONAL FLUCTUATIONS IN SALES**

We have experienced and expect to continue to experience seasonal fluctuations in our sales as a result of the Diwali and the Christmas holiday season and we expect this seasonality to continue in the future. We also experience considerable fluctuations in sales in the periods preceding other special annual occasions such as Diwali, Akshaya Tritiya, Aadi Perukku, Chithrai Festival and New Year festivities.

In anticipation of increased sales activity during above festivities we may incur significant additional expenses on advertisement publicity, higher inventory of jewellery and additional staffing in our customer support operations. If we were to experience lesser than expected sales during the above mentioned festivities, it would have a disproportionately large impact on our operating results and financial condition for the year.

In the future, our seasonal sales patterns may become more pronounced that may strain our personnel activities and may cause a shortfall in sales as compared to the expenses incurred in a given period, which could adversely affect our business and results of operations.

### **PRODUCT QUALITY**

Our strength lies in understanding the requirement of the customer and our execution capabilities. This has enabled us to get repeat orders from our existing

customers and attract new customers. We believe that the intricacies of our designs and quality of our products' finish enables us to get better margins on the products manufactured by us.

### INVENTORY MANAGEMENT

The Company closely monitors the movement of inventory and identifies fast moving designs for repeat orders and larger inventory holding.

TMJL's production and inventory are planned as per the delivery schedules. Finished goods are dispatched to customers as soon as the production is complete. The Company maintains inventory of certain fast moving items to meet any repeat orders. The inventory normally consists of raw materials like gold, diamonds, consumables, work-in-progress and finished products. This inventory is maintained to meet the production requirements as per the production plan.

Substantially all of the fine jewellery that TMJL sells is from its physical inventory. Changes in consumer tastes for these products subjects TMJL to significant Inventory risks.

### BRAND EQUITY AND VALUATION

The Company has been conducting business under the house name "Thangamayil Jewellery". The house name has been established and promoted in Madurai and the areas surrounding Madurai for over 15 years. This brand value has accrued through consistent efforts that include quality and price assurance, advertisement and promotion and the retail experience. Currently, the Company enjoys a market share in excess of 25% in the sale of Gold Jewellery in the city of Madurai and surroundings.

While the customers are being drawn from neighbouring semi rural areas, the Company expanded its business and established retail outlets at each of other locations in order to service the customers better by eliminating customer's travel time and thereby increasing the stickiness quotient.

The brand building efforts of the past have helped the Company to establish comfort with the customers of Madurai and surrounding areas on certain factors such as price assurance, variety, quality etc., which

until such time was unique in the Madurai market. In order to facilitate the geographical expansion to penetrate these competitive markets, and to take the Company's brand image to the next level the Company is in the process of finalizing its Advertising and Branding strategy as an ongoing policy.

In the next leg of the brand building exercise the Company's key objectives are as follows:

- (a) Build Thangamayil's image as one with the best in the trade state wide rather than only in southern and western parts of Tamilnadu;
- (b) Extend Thangamayil's footprint to other cities;
- (c) Create an aura of exclusivity around the brand name while at the same time retaining Thangamayil's unique contact with the culture and tradition of the people in Madurai, Tirunelveli, Ramnad, Rajapalayam, Karaikudi, Theni, Dindigul, Tuticorin, Coimbatore and other cities.
- (d) Target the correct audience, maximize impact on this targeted segment and create a strong and long lasting bond between the customer and the Brand image created by Thangamayil.
- (e) The Company plans to leverage the existing popularity of the house name and sell Gold, Diamond and Platinum jewellery under the brand name "Thangamayil" at retail outlets in the cities mentioned above. The Company has already obtained the trade mark with respect to the branding of the jewellery show rooms in the name and style of Thangamayil.
- (f) The brand building has got a tremendous cost of requiring considerable funding.

The efficiency of the marketing and sales network is a critical success factor for our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. To retain our customers our marketing team regularly interacts with them and focuses on gaining an insight

into the additional needs of such customers.

Quite often, we are conducting exhibition in smaller towns and also interacting with the customers to find out their preference and choices.

### **WORKING CAPITAL MANAGEMENT**

The Company's inventory requirements comprises of Gold ornaments, Gold Articles Precious such as silver and precious stones, Silver vessels held as finished goods and work in progress.

The backbone of any Retail Chain business model is that of effective management of Inventory and other Short Term Assets. Lesser the Inventory better will be the stock rotation. Better stock rotation will result in better cost amortization that would lead to improved bottom line. Apart from so many proactive initiatives taken by the management towards improvement of Net Margin in the system, the effective management of working capital enabled the Company to improve the operating profits. In spite of increase in the borrowing cost due to non-availability of concessional metal loan, the Company could reduce the interest cost on every gram of gold ornaments sold. This was possible only due to better inventory management with the help of SAP platform by fully using the application side of the in house made appropriate software for better adoption.

The steps initiated include revisit and redistribution of slow moving inventory, as well as improvements in product life cycle management to phase out underperforming designs quickly.

### **HEALTH, SAFETY AND ENVIRONMENT**

We are committed to protect the health and safety of our craftsmen and employees working in our units, people who come in contact with our operations and the health and sustainability of the environment in which we operate.

On the backdrop of a challenging economic environment in 2014-15 and India's domestic bottlenecks, the Company's sales ended at ₹ 1,421 Crores as against ₹ 1,191 Crores in the year 2013-14. Net loss for the year under review was ₹ 22.28 Crores as against ₹ 12.57 Crores in the year 2013-14.

### **FUTURE OUTLOOK**

Traditionally, the Indian gems & jewellery industry

was highly fragmented with consumers typically buying from their family jewellers. However, in the last decade the industry has undergone a structural change and more jewellery players are moving up the value chain towards an increasing focus on branded jewellery.

The market is hugely underpenetrated and there is ample scope for all new entrants. Given rising media and western influences people are more inclined towards branded jewellery and are willing to pay a premium for the same. In the past few years, many domestic companies have opened gems and jewellery specialty stores in India to meet the changing taste of local populace.

CRISIL believes that Tier-II and Tier-III towns will drive growth for the branded gold jewellery retailers over the medium term. Around two-thirds of the new outlets that these retailers set up over the medium term will be in such small towns. The demand for gold jewellery in these centres is strong and growing, buoyed by increasing affluence and preference for branded jewellery.

Currently, the domestic gems & jewellery market is fragmented across the value chain. There are approximately 525,000 unorganized players across the gems & jewellery sector who operate on small margins. The organized market accounts for approximately 5% to 6% of the jewellery retail markets, if the national level players in the organized market are considered whereas the organized market accounts for approximately 16% to 18% of the jewellery retail market, in the event the regional players are also included. It is expected that the organized jewellery retail market in India is expected to grow more than 30% in the next couple of years given the changing lifestyle and urbanization. (Source: CARE Report)

### **GOLD PRICE FLUCTUATIONS**

In the absence of restoration of full facility under metal loan by lenders, the natural hedging associated with that kind of trade finance could not be availed. Slowly, some banks in the consortium started to issue SBLC to avail metal loan. We are hopeful during the first quarter of this fiscal, other banks also will fall in line. The company is inclined to cover at least 60% of



the stock by way of metal loan and customer's gold at creditor's risks. The balance 40% will be left uncovered in order to avail the cash credit facility extended by the lenders. The gold price is nearest to the bottom at 1180 US\$ per ounce and we learn that at that price gold mines would not even breakeven. Moreover, INR is overvalued by 8% based on the PPP (Purchasing power parity) factor. Of late, INR started to depreciate by 3 to 4% and expected to be in the band of 63 to 66 per dollar for some more time. The Government is not in a hurry to reduce the import duty on gold due to revenue and current account deficit considerations. The profit on long term sustainable basis for gold industry is linked to modest appreciation in gold price

### KEY CHALLENGES

Some of the key challenges facing the jewellery retail industry are as follows:

- (a) Adapting to changing consumer preferences including regional preferences.
- (b) Any adverse change in the specific conditions of the Ministry of Commerce and Industry, Government of India, and the applicable RBI regulations regarding procurement of gold.
- (c) Volatility in the market price of gold, silver and diamonds.
- (d) Sale of artificial Jewellery and inferior standard quality products by competitors.
- (e) Limited availability of high end real estate and trained retail staff.

### 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 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 laws and regulations. They also apply to the need to act in a manner which stakeholders and customers expect.
- © 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:**

- ▶ 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.
- ▶ Monthly meeting of the top management committee to review operations and plans in key business areas.
- ▶ 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.
- ▶ 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 comprehensive information security policy and continuous upgrades to IT system.
- ▶ Documenting Major Business Process including financial reporting, Computer Controlling, Security Checks and Top Committee level Plans.

**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

- ▶ Well settled brand in southern and western parts of Tamilnadu which keeps loyal customers intact and made this brand unbreakable in local markets.
- ▶ Scope to attract large number of customers as the company operates in more number of branches across the state.
- ▶ Disciplined and well organised customer service makes the company stand alone from other players in the market.
- ▶ Customer loyalty coupled with quality assurance aspects on a sustainable manner.
- ▶ Synergy optimization on various functional areas.
- ▶ High powered Networking process helps the company to have ultimate control over its Business.

### Weakness

- ▶ Operating in a highly competitive environment with uncertain profit margin.
- ▶ Frequent Fluctuations on the Gold price movements and its adverse impact on margin.
- ▶ Operating at a very limited geographical presence to southern and western district of Tamilnadu offsets an opportunity to expand further and explore the opportunity.
- ▶ Scale up difficulty due to different fashion preferences in different regions

### Opportunities

- ▶ Sustained performance over the last few years in Madurai and surrounding towns provides platform for replication of the model other Tier II/III cities in Tamilnadu having similar customer profile.
- ▶ Growing knowledge in customers to buy quality and hallmarked product distinguishes the company from that of unorganised ones.
- ▶ Limiting the business to one sector makes the company mature in that industry and brings out efficiency in operations.
- ▶ Scaling of economy resultant out of Brand/ Advertisement & Publicity / Procurement of Gold, Product Mix, designs, etc.

### Threats

- ▶ Huge volatility in Gold price movements due to Macro Economical factors like Rupee fluctuations and global demand recession gives a hard time for the Industry.
- ▶ The company faces a stiff competition from local and as well as global players as the Industry has witnessed penetration from many companies.
- ▶ Human Resources development constraints faced by the industry.
- ▶ Flickering policy changes by government from time to time gives the Industry an adverse impact on its business model and gruelling time till settlement for latest policy.

# FINANCIAL OPERATIONS

## Results Of Operations

<b>1.Net Revenue from Operations</b> (₹. Lakhs)				
<b>Particulars</b>	<b>FY 2014 - 15</b>	<b>FY 2013 - 14</b>	<b>Change</b>	<b>% of Change</b>
Sale of Products	1,42,126	119,130	22,996	19.30%

Sales for the year 2015 have increased by 19% when compared to the previous year.

<b>2.Other Income</b> (₹. Lakhs)				
<b>Particulars</b>	<b>FY 2014 - 15</b>	<b>FY 2013 - 14</b>	<b>Change</b>	<b>% of Change</b>
Other Operating Income	157	481	(324)	(67.37)%

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

<b>3.Gross Profit</b> (₹. Lakhs)				
<b>Particulars</b>	<b>FY 2014 - 15</b>	<b>FY 2013 - 14</b>	<b>Change</b>	<b>% of Change</b>
Revenue from Operations ( including other income)	1,42,283	119,611	22,672	18.95%
Less: Cost of Consumption	1,36,956	111,375	25,581	22.96%
Gross Profit	5,327	8,236	(2,909)	(35.31)%

Gross profit reduction is mainly due to closing stock of earlier year was sold and realised at a lesser rate due to consistent fall in gold price witnessed in the major part of the year.

<b>4.Profit / ( Loss ) After Taxation</b> (₹. Lakhs)				
<b>Particulars</b>	<b>FY 2014 - 15</b>	<b>FY 2013 - 14</b>	<b>Change</b>	<b>% of Change</b>
Profit /(loss) After Taxation	(2,228)	(1,257)	(971)	(77.27)

During the year, the company incurred a net loss of ₹2,228 lakhs. This is on account of wide fluctuation in gold price.



## FINANCIAL CONDITION

### Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act and the Indian generally adopted Accounting Principles (GAAP) and the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006.

#### 1) Share Capital

The issued, subscribed and paid up capital as at March 31, 2015 stood at ₹ 1, 371.96 lakhs. There was no fresh infusion of capital during the year.

#### 2) Reserves and surplus

Reserves and surplus stood at ₹11,494 lakhs as against ₹13,988 lakhs in the previous year.

#### 3) Fixed Assets

Gross block of Fixed Assets is ₹ 9,744.67 lakhs which comprises of Plant & Machinery, Furniture & Fixtures, Vehicle and Buildings of ₹ 8,039.70 lakhs and Computer Equipment's of ₹1,704.96 lakhs.

#### 4) Inventories

Inventories amounted to ₹ 28,868 lakhs as at 31st March 2015 as against ₹ 34,237 lakhs as at the previous year end. The decrease is primarily on account of reduction in gold and silver price during the year.

#### 5) Trade Receivables

Trade Receivables amounted to ₹ 30.35 lakhs as at 31st March 2015 as against ₹ 24.19 lakhs as at 31st March 2014.

#### 6) Cash and Cash equivalents

Cash and bank balances with banks amounts to

₹573 lakhs as against ₹1,685 lakhs in the previous year. The decrease is on account of closure of margin money kept for gold metal loan.

#### 7) Short Term Loans and Advances and Other Current Assets

Short term Loans and advances amounted to ₹1,028 lakhs as against ₹1,479 lakhs in the previous year. Loans and Advances includes advances paid for raw material and pre-paid insurance, advance to expense, advance payment of taxes and other advances.

#### 8) Current Liabilities & Provisions

Current liabilities excluding provisions amounting to ₹ 23,335 lakhs includes secured loan from banks, and Trade creditors for raw materials and creditors for advertising and promotion spends, packing materials, advance received from customers and creditors for capital purchases.

Provisions amounted to ₹190 lakhs including provision for dividend, dividend tax and Provision Employee Benefit thereon.

#### 9) Working Capital

The Company has a Working Capital (including cash and bank balances) of ₹6,976 lakhs as at 31st March 2015 as against ₹8,170 lakhs as at 31st March 2014. The decrease in working capital is due to erosion of closing inventory.

#### 10) Debt Equity Ratio

Your Company has got a Net Debt Equity ratio of 1.10 as at 31.3.2015 as against 1.43 as at 31.03.2014.



## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 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 endeavour 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.

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:

- (1) That system procedure which monitors compliance with laws, rules and regulations are in place in each area of its Business.
- (2) That relevant information regarding the company and its operations is disclosed, disseminated and easily available to its shareholders and
- (3) 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.

## **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:

- (1) Conduct of business in consonance with National interest.
- (2) Fair and accurate presentation of Financial Statements.
- (3) Practicing politically non-alignment.
- (4) Maintaining quality of product and services.
- (5) Being a good corporate citizen.
- (6) Ethical conduct.
- (7) 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, 2015, the Company's Board consists of 8 directors and is

headed by its Chairman and Managing Director, Shri. 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.

Six Board meetings were held during 2014-15 and the gap between two meetings did not exceed four months. The dates, on which the Board meetings were held, are as follows:

26th May 2014, 30th July 2014, 5th September 2014, 12th November 2014, 4th February 2015 and 24th March 2015.

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 30th July 2014.





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			
Shri. Balarama Govinda Das (Chairman, Managing Director)	Executive	6	6	Yes	-	-
Shri. Ba.Ramesh (Joint Managing Director)	Executive	6	6	Yes	-	-
Shri. N. B. Kumar (Joint Managing Director)	Executive	6	6	Yes	-	-
Shri. S. Rethinavelu	Non-executive	6	4	Yes	-	-
Shri. Lalji Vora	Non-executive	6	4	Yes	-	-
Shri. V.R. Muthu	Non-executive	6	4	Yes	1	-
Shri. T.R. Narayanaswamy	Non-executive	6	2	Yes	1	1
Smt . Yamuna Vasini Deva Dasi <sup>^</sup>	Non-executive	6	-	NA	-	-

\*\* Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee

<sup>^</sup> Appointed as Additional Director on 4th Feb 2015

### 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 clause 49 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 clause 49 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.

#### Reconstitution of various committees under the Companies Act, 2013

In terms of the act, all the committees have been reconstituted with effect from 4th February 2015 at the board meeting held as follows:

1. Corporate Social Responsibility Committee
2. Nomination and Remuneration Committee
3. Audit Committee
4. Stake holders grievance and relationship committee

#### AUDIT COMMITTEE

The Company has constituted an Audit Committee as required under Sec.177 of the Companies Act, 2013.

During the year, four meetings of the Audit Committee were held on 26th May 2014, 30th July 2014, 12th November 2014, 4th February 2015.

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

The following table summarises 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
Shri. S. Rethinavelu	Chairman	4	3
Shri. Ba. Ramesh	Member	4	4
Shri. 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:

- 1) Oversight 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.
- 2) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- 3) Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
  - i) Any changes in accounting policies & practices.
  - ii) Major accounting entries based on exercise of judgment by management.
  - iii) Qualifications in draft audit report.
  - iv) Significant adjustments arising out of audit.
  - v) The going concern assumption.
  - vi) Compliance with accounting standards.
  - vii) Compliance with stock exchange and legal requirements concerning financial Statements.
  - viii) 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.
- 4) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- 5) 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..
- 6) Discussion with internal auditors any significant findings and follow up there on.

7) 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.

8) Discussion with external auditors before the audit commences nature and scope of audit as well as has post-audit discussions to ascertain any area of concern.

9) Reviewing the company's financial and risk management policies.

10) Reviewing the Management Discussion and Analysis of financial condition and results of operation;

11) Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors;

12) Reviewing reports of Cost audit and discussion with Cost Auditors on any significant findings by them;

13) Reviewing the Management letters/letters of internal control weaknesses issued by the Statutory Auditors.

14) 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 has reviewed the following:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. 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:

in No.s

Name of the person	Designation	Meetings Attended
Shri. S. Rethinavelu	Chairman	1
Shri. Lalji Vora	Member	2
Shri. V.R. Muthu	Member	2

Shri.. 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.

### 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 VI 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 2014-2015, is given below:-

₹ in lakhs

Name	Designation	Remuneration – Salary up to a Maximum
Shri. Balarama Govinda Das	Managing Director	60
Shri. Ba.Ramesh	Joint Managing Director	60
Shri. N.B.Kumar	Joint Managing Director	60

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.

### Particulars of Sitting Fees paid and Details of Shareholding of independent directors during the financial year 2014-15.

Name of the Directors	Sitting Fees (in ₹)	No of Equity Shares Held
Shri. S. Rethinavelu	20,000	-
Shri. Lalji Vora	20,000	100
Shri. V.R. Muthu	20,000	-
Shri. T.R.Narayanaswamy	10,000	-
<b>Total</b>	<b>70,000</b>	<b>100</b>

## STAKE HOLDERS GRIEVANCE AND RELATIONSHIP COMMITTEE

The primary role of the investor grievance committee is to:

To specifically look into the redressal of Investors' Grievances pertaining to:

- Transfer / Transmission / Splits / Consolidation 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
Shri. Lalji Vora	Chairman
Shri. Balarama Govinda Das	Member
Shri. Ba. Ramesh	Member
Shri. N.B.Kumar	Member
Shri. V.Vijayaraghavan	Compliance Officer

All the investors' complaints were resolved as on 31st March 2015 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, 2015 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the person	Designation	Meeting held and Attended
Shri. Balarama Govinda Das	Chairman	1
Shri. Lalji Vora	Member	1
Shri. Ba. Ramesh	Member	1
Shri. N.B. Kumar	Member	1

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

## CSR ACTIVITIES

The Company may undertake any of the following activities as its CSR activities:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefits of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development Projects;
- Such other matters as may be prescribed under applicable statute and as may be amended from time to time;
- Such other activity as may be thought fit by the CSR Committee and approved by the Board.

### **INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on December 9, 2014, 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.

All the Independent Directors were present at the Meeting.

### **CAPEX COMMITTEE**

The Capex Committee was constituted to review the technical and financial viability of the show room and manufacturing units. Since no major Capex proposal was under consideration during the year, the Committee did not meet.

### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 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 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 Accounting Standard 18 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.

Proceeds from public issues, right issues, preferential issues

During 2014-15, 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 Clause 49 of the Listing Agreement.
- 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

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has adopted a Code of Business Conduct and Ethics for its Board Directors, a copy of which is available at the Company's website, [www.thangamayil.com](http://www.thangamayil.com). All the members of the Board personnel had affirmed compliance with the Code for the year ended March 31, 2015 and a declaration to this effect signed by the CEO is forming part of this report. Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a "Code of Conduct for prevention of Insider Trading". This Code is applicable to all the Directors and designated employees of the Company.

## Postal ballots

For the year ended March 31, 2015, 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 the Tamil version of the Financial Results in a Tamil daily viz., Dinamalar, Dhina Thanthi and Dhina Mani.

### Website

The company has in place a web site addressed as [www.thangamayil.com](http://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 are uploaded in SEBI-EDIFAR website. 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, 1996, certificates have also been received from a Company Secretary-in-practice 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 Clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely [companysecretary@thangamayil.com](mailto: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, 2015, 99.95% of our shares were held in dematerialized form and the rest in physical form.

Category	Number of Share Holders ( on Folio Basis )	Number of Equity Shares	% of Total Equity
NSDL	1437	1,24,32,397	90.62 %
CDSL	646	12,80,185	9.33%
Physical Mode	1	7,000	0.05%
<b>Total</b>	<b>2084</b>	<b>1,37,19,582</b>	<b>100%</b>

To enable us to serve our investors better, we request shareholders whose shares are in physical mode to dematerialize shares and to update their bank accounts with the respective depository participants.

Out of 1,37,19,582 equity shares of ₹10/- each held by persons includes promoters, 1,37,12,582 shares have been dematerialized as on 31st March, 2015 accounting for 99.95%.

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.

#### 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.

S.K.D.C. Consultants Limited  
Kanapathy Towers, 3rd Floor  
1391/A-1, Sathy Road, Ganapathy,  
Coimbatore -641 006.  
Tel: 0422 -6549995  
Fax: 0422 -2539837

(ii) For any query on Annual Report

**Shri.V.Vijayaraghavan**  
Company Secretary  
**Mobile: 9894149200**  
**Tel: 0452 -2565553**

(iii) For investors grievance & general correspondence **companysecretary@thangamayil.com**



# Manufacturing & Showroom Locations

Madurai (Regd. & Corp. Office, Showroom and Manufacturing)  
Salem (Showroom, Silver Manufacturing Unit)

## BRANCHES

Madurai	Dharapuram
Rajapalayam	Valliyoor
Karaikudi	Krishnagiri
Ramnad	Namakkal
Dindigul	Dharmapuri
Theni	Ottanchatram
Sivakasi	Tirunelveli
Tuticorin	Kovilpatti
Anna Nagar ( Madurai)	Udumalapet
Cumbum	Tiruppur
Aruppukottai	Sivagangai
Salem	Gobichettipalayam
Tenkasi	Sankarankovil
Palani	Eral
Coimbatore	Villupuram



## 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. S.K.D.C. Consultant Ltd., 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](http://www.nsdl.co.in) and [www.cdslindia.com](http://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
29.07.2015	11.45 AM	Chamber Of Commerce, 178B, Kamarajar Salai, Madurai – 625 009

### Financial Year: 1st April 2015 to 31st March 2016

Financial calendar (Tentative and subject to change)

Financial reporting for the Quarter Ending	
30 <sup>th</sup> June 2015	Before 8 <sup>th</sup> August 2015
30 <sup>th</sup> September 2015	Before 15 <sup>th</sup> November 2015
31 <sup>st</sup> December 2015	Before 10 <sup>th</sup> February 2016
31 <sup>st</sup> March 2016	Between 9 <sup>th</sup> May and 27 <sup>th</sup> May 2016

Date of Book Closure : 22<sup>nd</sup> July 2015 to 29<sup>th</sup> July 2015 (both days inclusive)

### Particulars of dividend payment:

Dividend of ₹ 1/- per share for the year ended 31<sup>st</sup> March 14 amounting to a sum of ₹ 166 lakhs including dividend distribution tax was paid.

### Listing on Stock Exchanges:

The equity shares of the company are listed at The Bombay Stock Exchange 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:

Bombay Stock Exchange Limited -  
Code No. **533158**

National Stock Exchange of India Limited -  
Code No. **THANGAMAYL**

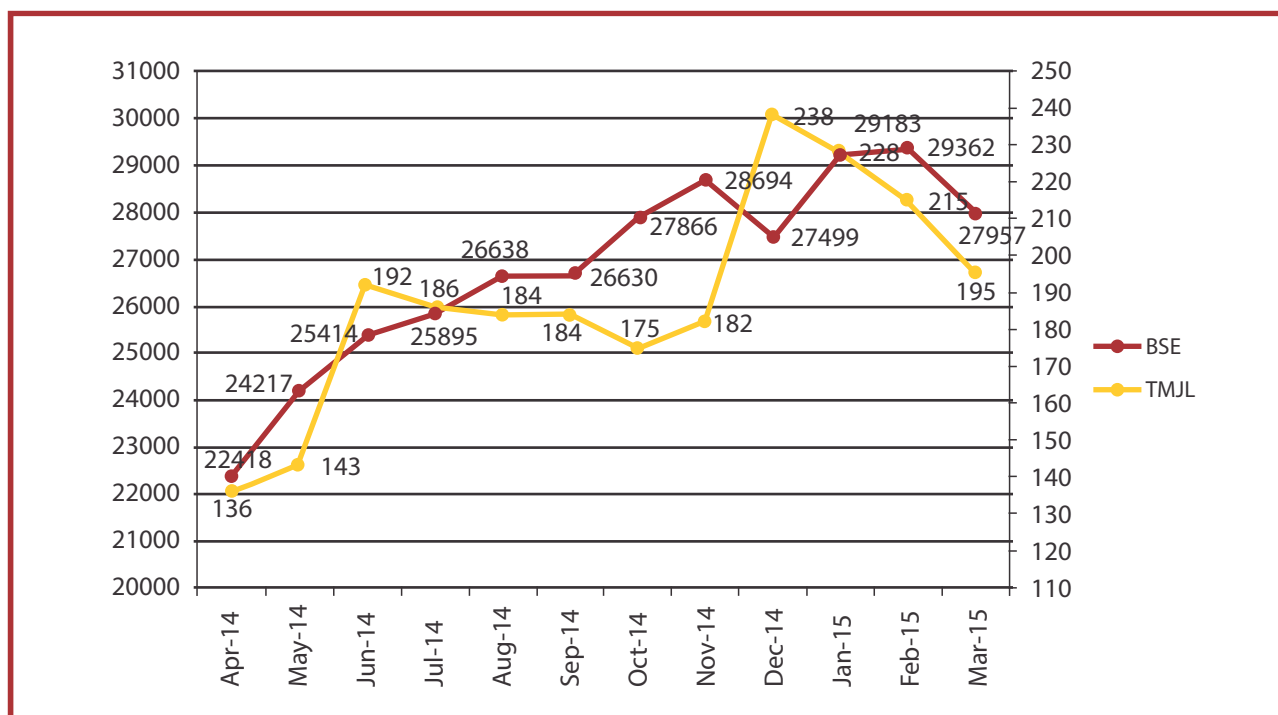




### Stock Market Data- High and Low Quotations of equity shares for 2014-2015

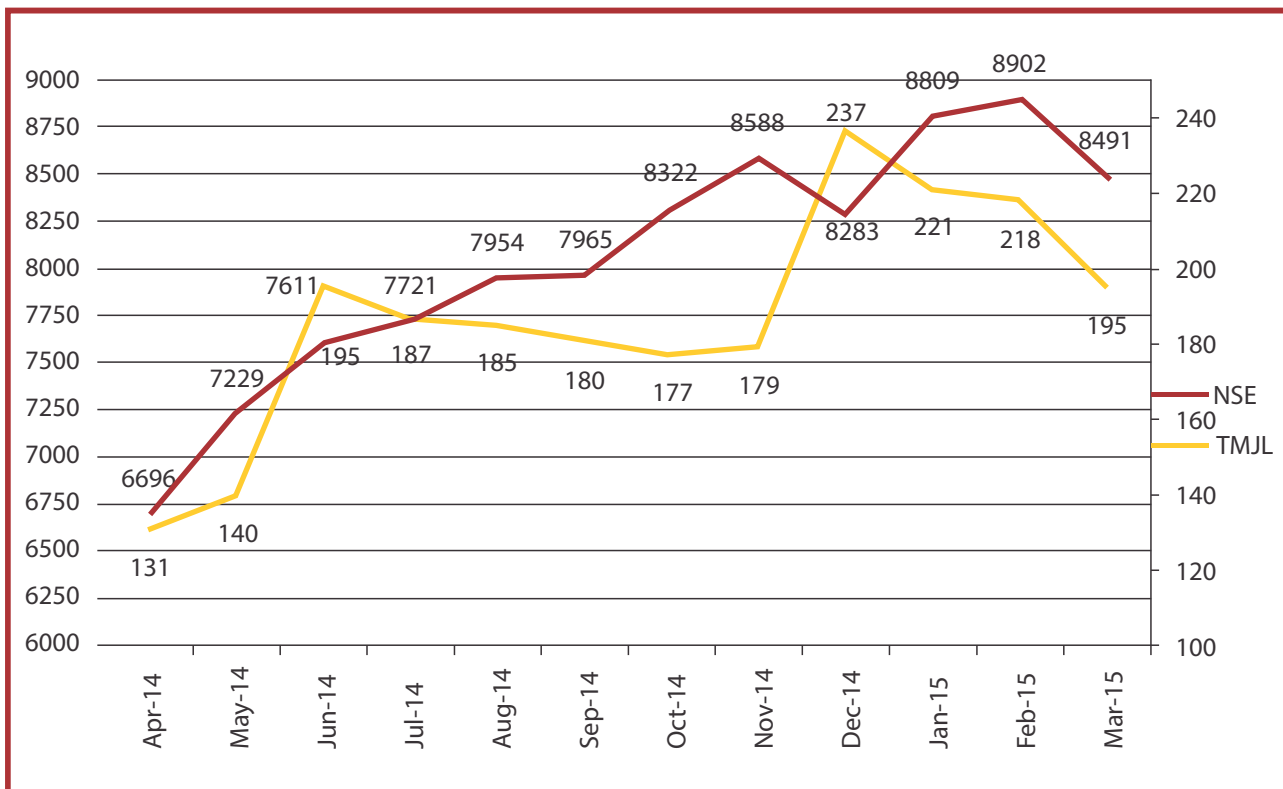
Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low( ₹)	High (₹)	Low( ₹)
Apr-14	145.40	126.05	153.55	130.05
May-14	169.70	105.75	175.00	114.65
Jun-14	203.00	135.30	203.00	135.00
Jul-14	210.00	182.00	211.00	178.00
Aug-14	193.00	175.00	193.00	175.00
Sep-14	208.00	170.00	209.00	169.50
Oct-14	183.95	155.25	190.00	163.65
Nov-14	199.95	160.30	201.00	162.95
Dec-14	243.00	155.50	241.25	178.60
Jan-15	250.00	212.00	247.80	202.55
Feb-15	230.00	202.00	229.45	199.55
Mar-15	225.00	188.00	225.00	183.95

### TMJL VS BSE SHARE PRICE





## TMJL VS NSE SHARE PRICE



## Distribution of Share Holding as on 31st March, 2015

Sl.No	Range of Shares ( in ₹)	Number of share holders (on Folio Basis)	No. of Equity Shares Held	% to total Shares
1	2	3	4	5
1	1 to 5,000	1786	1,357,73	0.99%
2	5,001 to 10,000	96	746,92	0.54%
3	10,001 to 20,000	81	1,158,19	0.84%
4	20,001 to 30,000	20	520,04	0.38%
5	30,001 to 40,000	12	438,95	0.32%
6	40,001 to 50,000	9	415,86	0.30%
7	50,001 to 100,000	23	1,726,45	1.26%
8	100,001 and above	57	130,831,68	95.36%
<b>Total</b>		<b>2,084</b>	<b>137,195,82</b>	<b>100%</b>


**Pattern of Share holdings as on 31st March, 2015**

Cate - gory Code	Category of Shareholder	Share Holding details				Shares Pledged or Otherwise encumbered	
		Number of share holders	Total Number of Shares	Number of shares held in demate - rialized form	As a% of (A+B)	Number of Shares	As a % of (7)/(4)* 100
1	2	3	4	5	6	7	8
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>						
<b>(1)</b>	Indian Promoters	14	96,51,161	96,51,161	70.35%	16,76,220	17.37%
<b>(2)</b>	Foreign Promoters	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>14</b>	<b>96,51,161</b>	<b>96,51,161</b>	<b>70.35%</b>	<b>16,76,220</b>	<b>17.37%</b>
<b>(B)</b>	<b>Public shareholding Institutions</b>						
<b>(1)</b>							
(a)	Indian Institutions	3	10,28,775	10,28,775	7.50%	Nil	Nil
(b)	Foreign Institutions						
	<b>Sub-Total (B)(1)</b>	<b>3</b>	<b>10,28,775</b>	<b>10,28,775</b>	<b>7.50%</b>	<b>Nil</b>	<b>Nil</b>
<b>(2)</b>	<b>Non-institutions</b>						
(a)	Bodies Corporate	88	12,93,743	12,93,743	9.43%	N.A	N.A
(b)	Individual Share Holders	1,857	12,67,593	12,60,593	9.24%	N.A	N.A
(c)	Individual NRI / Foreign Nationals	115	4,78,310	4,78,310	3.48%	N.A	N.A
<b>(c)</b>	<b>Sub-Total (B)(2)</b>	<b>2,060</b>	<b>30,39,646</b>	<b>30,32,646</b>	<b>22.16%</b>	<b>N.A</b>	<b>N.A</b>
	<b>Total Public Share holding (B)= (B)(1)+(B)(2)</b>	<b>2,063</b>	<b>40,68,421</b>	<b>40,61,421</b>	<b>29.65%</b>	<b>16,76,220</b>	<b>12.22%</b>
	<b>TOTAL (A)+(B)</b>	<b>2,077</b>	<b>137,19,582</b>	<b>137,12,582</b>	<b>100%</b>	<b>16,76,220</b>	<b>12.22%</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	Nil	Nil	Nil	Nil	Nil	Nil
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2,077</b>	<b>137,19,582</b>	<b>137,12,582</b>	<b>100%</b>	<b>16,76,220</b>	<b>12.22%</b>

## GENERAL BODY MEETINGS

### Locations and time of General meetings

Date	Year	AGM	Time	Venue
18/07/2012	2011-12	12 <sup>th</sup>	11.30 AM	Chamber Of Commerce, 178B, Kamarajar Salai, Madurai – 625 009
22/07/2013	2012-13	13 <sup>th</sup>	11.45 AM	Chamber Of Commerce, 178B, Kamarajar Salai, Madurai – 625 009
30/07/2014	2013-14	14 <sup>th</sup>	11.45 AM	Chamber Of Commerce, 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
18/07/2012 ( AGM)	a) Keeping statutory records at the corporate office of the company at 25/6, Palami Centre, New Natham Road, Madurai – 625 014. b) Cost of the Project as modified and usage of IPO funds.

### Top Ten Ordinary Shareholders of the Company as on 31st March, 2015

S. No	Name of the Shareholder	No of Shares held	% of holding
1	Ba. Ramesh	28,81,603	21.00%
2	Balarama Govinda Das	28,57,329	20.83%
3	N.B.Kumar	28,41,451	20.71%
4	SBI Mutual Fund Group	10,28,775	7.50%
5	Thangamayil Gold and Diamond Private Limited	7,01,671	5.11%
6	Emerald Jewel Industry India Limited	6,24,450	4.55%
7	Panna Lal C Kothari HUF	3,91,000	2.85%
8	Balusamy Silvears Jewellery Private Limited	2,25,337	1.64%
9	Aadi Financial Advisors LLP	1,73,001	1.26%
10	Shardul Securities Limited	1,11,500	0.81%



## 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](http://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, 2015.

### 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](http://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](http://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 stakeholders.

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](http://www.thangamayil.com) for reference.

**Code of practice and procedures for fair disclosures unpublished price sensitive information**

The Company has adopted code of fair disclosure policy in order to ensure to the principles set out under the prohibition of insider trading regulations 2015 has notified by SEBI vide their notifications dated 15th January 2015 which shall come into force from 15th May 2015. This code of practices under lies fair disclosure of unpublished price sensitive information that the company would follow in order to adhere to each of the principles set out in these regulations without diluting the provisions in any manner. A copy of **Code of Practices and Procedures for fair disclosures Policy** has been placed at our website at [www.thangamayil.com](http://www.thangamayil.com) for reference.

**DECLARATION PURSUANT TO CLAUSE 49 OF THE 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, 2015 as stipulated in clause 49 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 in compliance of conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement Certify that:

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

- b) 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 violative to the Company's code of conduct.
- c) 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.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in the internal controls over financial reporting during the year.
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) 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 25, 2015



**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 31<sup>st</sup> March 2015 as envisaged in clause 49 of the listing agreement with the concerned Stock Exchanges.

For Thangamayil Jewellery Limited

Balarama Govinda Das

**Managing Director**

Place: Madurai

Date: May 25, 2015

**Auditors' certificate on compliance of the  
provisions of the Code of Corporate Governance in  
the Listing Agreement.**

To

The Shareholders 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 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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 **B.Thiagarajan & Co.,**  
Chartered Accountants,  
**F. Reg No: 004371S**

**D.Aruchamy** - Partner  
M.No: 219156

Place - Madurai  
Date – May 25, 2015

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Thangamayil Jewellery Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **THANGAMAYIL JEWELLERY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making Judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by companies directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the



aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2015;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other and Legal Requirements

1. As required by the companies (Auditor's report) Order 2015 ("the Order") issued by the Central Government in terms of sec.143(11) of the Act, we give in the Annexure a statement on the matter specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting

Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014

e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.

f) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.

1) The company has disclosed the impact of pending litigation on its financial position in its financial statement.

2) 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.

3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

**For B.Thiagarajan & Co.,**

*Chartered Accountants*

Firm Reg No: 004371S

**D.Aruchamy**

*Partner*

M.No:219156

Place - Madurai

Date - May 25, 2015

## Annexure To The Independent Auditors' Report

**(Referred to in paragraph 1 under 'Report on Other legal and Regulatory Requirements' section of our report 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.
- 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 or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub Clause (a), and (b) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control systems.
- 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.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 148 of the Companies Act, 2013 for maintenance of cost records in respect of Gold Ornaments and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) According to the records provided to us, the company is regular in depositing with the appropriate authorities, undisputed statutory dues and other material statutory dues applicable to it.  
  
b) According to the information and explanations given to us, the following are the details of the disputed dues that were not deposited with the relevant statutory authority.  
  
c) Transfer of any amount to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder is not applicable to the company during the period under review.



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	50.70	2006-07 to 2009-10	High Court of Madras and Commissioner (Appeals) of Sales Tax
Customs Act , 1962	Customs Duty	154.00	2011-12	Commissioner of Central Excise (Appeals)
Income Tax Act, 1961	Tax Deducted at Source	7.36	2012-13	Income Tax (Appeals) Madurai

viii) The company does not have any accumulated losses at the end of the financial year. The company has *incurred cash loss* during the year and also in the immediately preceding financial year.

procedures in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such cases by the management.

ix) Based on our verification and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to the financial institutions and banks.

**For B. Thiagarajan & Co,**

*Chartered Accountants*

F. Regn No:0043715

x) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks / financial institutions. Therefore, this clause is not applicable.

**D.Aruchamy**

*Partner*

M.No-219156

xi) In our opinion, and according to the information and explanations given to us, the Company has obtained term loans during the year are applied for the purpose for which it has been sanctioned.

Place – Madurai

Date: 25.05.2015

xii) During the course of examination of the books and records of the Company carried out in accordance with the generally accepted auditing



# BALANCE SHEET AS AT MARCH 31, 2015

(₹. In lakhs)

PARTICULARS	Note	As at March 31,	
		2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds:</b>			
(a) Share Capital	1	1,371.96	1,371.96
(b) Reserves and Surplus	2	11,494.32	13,987.88
<b>Sub-total -Shareholders' funds</b>		<b>12,866.28</b>	<b>15,359.84</b>
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	5,028.93	1,860.58
(b) Other Long Term Liabilities	4	-	1,379.82
<b>Sub-total -Non -Current Liabilities</b>		<b>5,028.93</b>	<b>3,240.40</b>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	5	11,980.17	21,285.48
(b) Trade Payables	6	3,420.66	604.43
(c) Other Current Liabilities	7	7,934.34	7,169.08
(d) Short-Term Provisions	8	190.05	195.52
<b>Sub-total -Current Liabilities</b>		<b>23,525.21</b>	<b>29,254.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,420.42</b>	<b>47,854.75</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		6,826.15	7,465.77
(ii) Intangible Assets		612.09	694.15
(iii) Capital Work in Progress		769.42	689.04
(b) Deferred Tax Assets	10	1,661.55	543.36
(c) Long-Term Loans and Advances	11	1,049.50	1,037.94
<b>Sub-total - Non - Current Assets</b>		<b>10,918.71</b>	<b>10,430.26</b>
<b>Current Assets</b>			
(a) Inventories	12	28,868.59	34,237.00
(b) Trade Receivables	13	30.36	24.20
(c) Cash and Cash Equivalents	14	573.81	1,684.52
(d) Short-Term Loans and Advances	15	10.98	24.25
(e) Other Current Assets	16	1,017.97	1,454.52
<b>Sub-total -Current Assets</b>		<b>30,501.71</b>	<b>37,424.49</b>
<b>TOTAL - ASSETS</b>		<b>41,420.42</b>	<b>47,854.75</b>
Significant Accounting Policies			
The accompanying notes are integral part of the financial statements	1 to 42		

As per our attached report of even date

**For B. Thiagarajan & Co.,**  
Chartered Accountants

**D.Aruchamy**

Partner

**M.No.219156**

Date - May 25, 2015

Place - Madurai

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

Managing Director

**Ba. Ramesh**
**N.B.Kumar**

}

Joint Managing Directors

**Lalji Vora**
**V. R. Muthu**

}

Independent Directors

**V. Vijayaraghavan**

Company Secretary

**B.Rajeshkanna**

Chief Financial Officer



**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015**

(₹. In lakhs)

PARTICULARS	Note	Year ended March 31	
		2015	2014
<b>I. INCOME</b>			
Revenue from Operations	17	1,42,126.28	1,19,130.05
Other Income	18	157.07	481.42
<b>Total Income</b>		<b>1,42,283.35</b>	<b>1,19,611.47</b>
<b>II. EXPENSES</b>			
Cost of raw materials consumed	19	1,18,080.17	93,014.27
Purchases of stock -in- Trade	20	14,794.51	5,400.65
Changes in Inventories of finished goods, work in progress & stock in trade	21	3,159.39	12,122.17
Manufacturing expenses	22	922.11	838.66
Employee benefit expenses	23	2,133.87	1,773.71
Finance Costs	24	2,913.87	3,470.31
Depreciation and Amortisation	9	825.67	564.85
Other expenses	25	2,751.84	4,503.45
<b>Total Expenses</b>		<b>1,45,581.43</b>	<b>1,21,688.07</b>
<b>III. NET PROFIT / (LOSS) BEFORE TAXATION</b>		<b>(3,298.08)</b>	<b>(2,076.60)</b>
Less: Provision for Taxation:			
- Current Tax		-	-
- Deferred Tax		(1,070.04)	(819.71)
<b>Total Tax Expenses</b>		<b>(1,070.04)</b>	<b>(819.71)</b>
<b>IV. NET PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(2,228.04)</b>	<b>(1,256.89)</b>
<b>V. PROFIT/LOSS FROM DISCONTINUING OPERATIONS</b>		-	-
<b>VI. TAX EXP. OF DISCONTINUING OPERATIONS</b>		-	-
<b>VII. PROFIT/ (LOSS) FROM DISCONTINUING OPERATIONS (after Tax)</b>		-	-
<b>VIII. NET PROFIT / (LOSS) FOR THE YEAR</b>		<b>(2,228.04)</b>	<b>(1,256.89)</b>
<b>Basic / Diluted Earnings per Share of Rs. 10 each</b>		<b>(16.24)</b>	<b>(9.16)</b>
Significant Accounting Policies			
The accompanying notes are integral part of the financial statements	1 to 42		

As per our attached report of even date

**For B. Thiagarajan & Co.,**  
Chartered Accountants

**D.Aruchamy**  
Partner  
M.No.219156

Place - Madurai  
Date - May 25, 2015

**For Thangamayil Jewellery Limited**

**Balarama Govinda Das** Managing Director

**Ba. Ramesh** }  
**N.B.Kumar** } Joint Managing Directors

**Lalji Vora** }  
**V. R. Muthu** } Independent Directors

**V. Vijayaraghavan** Company Secretary

**B.Rajeshkanna** Chief Financial Officer



CASH FLOW STATEMENT			
(₹. In lakhs)			
PARTICULARS	2014-15		2013-14
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit before tax		(3,298.08)	(2,076.60)
Add/(Less) Adjustments:			
Depreciation	825.67		564.85
Finance Charges	2,913.87		3,470.31
Impairment of Assets	-		19.99
<b>Operating Profit before Working Capital Changes</b>		<b>441.46</b>	<b>1,978.55</b>
<b>Adjustments for movements in:</b>			
Inventories	5,368.41		12,290.44
Sundry Debtors	(6.16)		64.45
Loans & Advances	444.90		(62.83)
Current Liabilities and Provisions	1,976.80	7,783.95	(9,111.84)
<b>Cash Generated from Operations</b>		<b>8,225.41</b>	<b>5,158.77</b>
<b>Taxes Paid</b>			
Payment of Direct Taxes		6.64	209.85
<b>Net Cash Flow From Operating Activities</b>	<b>[A]</b>	<b>8,218.77</b>	<b>4,948.92</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets (Including Capital Advances)		(337.73)	(1,699.23)
Proceeds from Sales of Fixed Assets		4.96	16.37
<b>Net Cash used in Investing Activities</b>	<b>[B]</b>	<b>(332.77)</b>	<b>(1,682.86)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Proceeds from Short Term Loans from Banks		(9,305.31)	(347.28)
Proceeds from Fixed Deposits(Net) and Others		3,382.98	130.83
Dividend Paid (including Corporate Dividend Tax)		(160.51)	(797.26)
Finance Charges Paid		(2,913.87)	(3,470.31)
<b>Net Cash flow from Financing Activities</b>	<b>[C]</b>	<b>(8,996.71)</b>	<b>(4,484.02)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash equivalents</b>	<b>[A+B+C]</b>	(1,110.71)	(1,217.96)
Cash & Cash Equivalents at the beginning of the year		1,684.52	2,902.48
Cash & Cash Equivalents at the end of the year		<b>573.81</b>	<b>1,684.52</b>
Components of Cash and Cash equivalents at the year end			
Cash on Hand	145.36		
Balances with Banks and others	428.45	<b>573.81</b>	<b>1,684.52</b>
<b>Notes:</b>			
1 The above Cash Flow Statement has been complied from and is based on the Balance Sheet as at March 31, 2015 and the relative Profit and Loss Account for the year ended on that date.			
2 Out of the above Cash equivalents at the end of the year Rs. 119.84 lakhs is not available for use for purposes other than repayment of fixed deposits, as the said amount has been invested pursuant to Companies (Acceptance of Deposits) Rules 1974			
3 The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS) -3 on Cash Flow Statements and the reconciliations required for the purpose are as made by the company.			
4 Previous year's figures have been regrouped / reclassified wherever necessary in order to confirm with current year's classification.			
As per our attached report of even date			
<b>For B. Thiagarajan &amp; Co.,</b> Chartered Accountants <b>D.Aruchamy</b> Partner <b>M.No.219156</b> Place - Madurai Date - May 25, 2015		<b>For Thangamayil Jewellery Limited</b>  <b>Balarama Govinda Das</b> Managing Director  <b>Ba. Ramesh</b> } <b>N.B.Kumar</b> }    Joint Managing Directors  <b>Lalji Vora</b> } <b>V. R. Muthu</b> }    Independent Directors  <b>V. Vijayaraghavan</b> <b>B.Rajeshkanna</b> Company Secretary Chief Financial Officer	

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounts have been prepared on accrual basis, in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, which have been prescribed by the Companies (Accounting Standards) Rules, 2006.

### **Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The Accounts are prepared under the Historical Cost Convention and materially comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are stated below:

### **1. Revenue Recognition**

Sales are recognized when goods are supplied and are recorded at net realizable value excluding VAT 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 confirm transactions of cessation of old entries liabilities in the case of advances from customer category.

### **2. 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.

### **3. Tangible Fixed Assets**

a) Fixed Assets are stated at their cost of acquisition or construction as the case may be and including inward freight, incidental expenses related to acquisition/ installation and borrowing cost as per Accounting Standard (AS 16). Depreciation on additions to fixed assets is provided on a pro-rata basis from the date on which acquisition or installation made.

- b) 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.	<b><u>Straight Line basis</u></b>	
	- Building	60 Years
	- Plant & Machinery	15 Years
	- Furniture and Fittings	10 Years
	- Office equipments	15 Years
II.	<b><u>Written Down Value basis</u></b>	
	<b>Vehicles</b>	
	- Motor Car	8 years
	- Two Wheelers	10 years
	<b>Computers</b>	
	- Hardware	3 years
	- Software	6 years

#### 4. 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.

#### 5. 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.

#### 6. 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.

#### 7. Leases

Assets taken on lease on or after April 1, 2001 are accounted for as Fixed Assets in accordance with Accounting Standard (AS) 19 on "**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.

**8. 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.

**9. Borrowing Cost**

Borrowing costs attributable to the Acquisition/Improvement of qualifying capital assets and incurred till the commencement of commercial use of the assets is capitalized as the cost of the asset as per Accounting Standard (AS) 16-**"Borrowing Costs"** and other borrowing costs are charged to profit and loss account.

**10. Expenses**

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

**11. 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.

**12. 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.

**13. 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) is less than 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 realisation.

The company is accepting old gold from its customers to be exchanged for new gold within a period of twelve months without any charges for making the ornaments on a job work basis. No income or loss is considered in the accounts as the transactions are not reflected as purchase or sale and treated only on Job work basis.

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.

#### **14. 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 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 AS – 2 Inventory valuation consideration.

#### **15. Advertisement costs**

Costs incurred on advertisement / publicity has been fully written off in the year of incurrence.

#### **16. AS 30 - Financial instruments: Recognition and Measurement**

Derivative accounting: The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan. The Company applies the hedge accounting principles set out in Accounting Standard (AS) 30 - Financial Instruments: Recognition and Measurement and has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions. All such derivative financial instruments are supported by an underlying transaction and are not for trading or speculative purposes.

The use of derivative financial instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value, and are re measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in hedging reserve and the ineffective portion is recognized immediately in the statement of profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.



For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized in hedging reserve is retained until the forecast transaction occurs upon which it is recognized in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognized immediately to the statement of profit and loss.

Changes in the fair value of derivative financial instruments that have not been designated as hedging instruments are recognized in the statement of profit and loss as they arise.

### 17. 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.

Deferred taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer

reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

### 18. Impairment of assets

The Company reviews the carrying value of assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount as per Accounting Standard (AS) 28- "**Impairment of Assets**". Impairment loss determined at each balance sheet date is charged to respective Profit & Loss account in the year in which such impairment of assets is identified. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

19. It is the Company's Policy to take in to the account the impact of any significant event that occurs after the Balance Sheet date but before the board meeting in which the accounts are adopted.

### 20. 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 on 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.



NOTES FORMING PART OF ACCOUNTS			(₹. In lakhs)
Particulars	As at March 31		
	2015	2014	
<b>NOTE 1 - SHARE CAPITAL</b>			
<b>Authorised:</b> 200,00,000 Equity Shares of Rs. 10 each (Previous Year 200,00,000 Equity Shares)	2,000.00	2,000.00	
<b>Issued, Subscribed and Paid up capital:</b> 13,719,582 Equity shares (Previous Year 13,719,582 Shares) of ₹ 10 each, fully paid.	1,371.96	1,371.96	
	<b>1,371.96</b>	<b>1,371.96</b>	
<b>RECONCILIATION OF NUMBER OF SHARES</b>	<b>No of Shares</b>	<b>No of Shares</b>	
Balance as at the Beginning of the year ( ₹ 1,371.96 lakhs )	137,19,582	137,19,582	
Movement during the year (Nil )	-	-	
Balance as at the end of the year ( ₹ 1,371.96 lakhs)	<b>137,19,582</b>	<b>137,19,582</b>	
<b>Shares In The Company Held By Each Shareholder Holding More Than 5 Percent Shares</b>			
<b>(As at 31st March 2015)</b>			
<b>Equity Shares of ₹ 10 each fully paid</b>	<b>No of Shares</b>	<b>% of Share Holding</b>	
Ba. Ramesh	28,81,603	21.00%	
Balarama Govinda Das	28,57,329	20.83%	
N.B. Kumar	28,41,451	20.71%	
SBI Mutual Fund Group	10,28,775	7.50%	
Thangamayil Gold and Diamond Pvt Ltd.,	7,01,671	5.11%	
<b>(As at 31st March 2014)</b>			
<b>Equity Shares of ₹ 10 each fully paid</b>	<b>No of Shares</b>	<b>% of Share Holding</b>	
Ba. Ramesh	28,81,603	21.00%	
Balarama Govinda Das	28,57,329	20.83%	
N.B.Kumar	28,41,241	20.71%	
Thangamayil Gold and Diamond Pvt Ltd.,	7,01,671	5.11%	
<b><u>Terms/Rights attached to Equity Shares</u></b>			
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.			
<u>Of the above the following shares were issued and allotted for consideration other than cash:</u> for last 5 years company has not allotted any shares other than cash.			



NOTES FORMING PART OF ACCOUNTS			(₹. In lakhs)
Particulars	As at March 31		
	2015	2014	
<b>NOTE 2 - RESERVES AND SURPLUS</b>			
<b>(a) Share Premium</b>			
As per last Balance Sheet	3,175.80	3,175.80	
	<b>3,175.80</b>	<b>3,175.80</b>	
<b>(b) General Reserve</b>			
As per last Balance Sheet	1,781.95	1,581.95	
Add: Transfer from Profit and Loss Account	200.00	200.00	
	<b>1,981.95</b>	<b>1,781.95</b>	
<b>© ) Surplus i.e. Balance in the Statement of Profit &amp; Loss</b>			
As per last Balance Sheet	9,030.13	10,647.54	
Add: Profit / Loss for the year	(2,228.04)	(1,256.89)	
<b>Less: Appropriations</b>			
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life. (Refer Note 36)(net of deferred tax)	100.25	-	
Proposed Dividend on Equity Shares	137.20	137.20	
Corporate Tax on Dividend	28.09	23.32	
Transfer to General Reserve	200.00	200.00	
Net Surplus in the statement of Profit and Loss	<b>6,336.57</b>	<b>9,030.13</b>	
<b>Total Reserves and Surplus</b>	<b>11,494.32</b>	<b>13,987.88</b>	
The Board of Directors, in their meeting on 25th May, 2015, proposed a dividend of ₹1 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 29th July 2015, and if approved, would result in a cash outflow of approximately ₹ 165 lakhs inclusive of corporate dividend tax. Dividend recognized as distributions to equity shareholders for the year ended March 31, 2014 was ₹ 1 per share.			
<b>NON CURRENT LIABILITIES</b>			
<b>NOTE 3 - LONG TERM BORROWINGS</b>			
-Term Loan from Bank( Secured)	2,000.00	-	
Term Loan from KVB secured by equitable mortgage of company land and building at Oppanakara Street , Coimbatore and land and building at Madurai. The loan is further secured by properties owned by whole time directors and their close relatives and further secured by personal guarantee of whole time of directors of the company .The loan is repayable in 48 monthly installments, commencing from October 2014.			
The Term loan is repayable on demand and carries interest of 12.50% p.a			



NOTES FORMING PART OF ACCOUNTS			(₹. In lakhs)
Particulars	As at March 31		
	2015	2014	
<b>Other Loans and Advances Fixed Deposits</b>			
Fixed Deposits from Public	2,004.02	1,439.08	
Fixed Deposits from Directors	-	30.50	
Loans from Directors and Others	1,016.00	391.00	
Hire Purchase Vehicle Loan	8.91	-	
(Vehicle Loan is secured by the respective vehicles) Fixed deposit includes ₹1206.54 lakhs secured by all movable properties such as furniture, fixtures, computers, Fitting excluding plant and machinery of the company.			
₹ 846.47 lakhs ( ₹ 487.45 lakhs) Fixed Deposit carry interest @11% and are repayable 2 years from the respective years.			
₹ 1157.55 lakhs ( ₹982.13 lakhs) Fixed Deposit carry interest @12.5% and are repayable 3 years from the respective years			
<b>The above amount includes</b>			
Secured Borrowings	3,215.45	-	
Unsecured Borrowings	1,813.48	1,860.58	
	<b>5,028.93</b>	<b>1,860.58</b>	
<b>NOTE 4 - OTHER LONG TERM LIABILITIES</b>			
<b>Unsecured</b>			
Advance Received from Customers	-	1,379.82	
(Advance from Customers are repayable beyond 12 Months from the reporting date)	-	<b>1,379.82</b>	
<b>CURRENT LIABILITIES</b>			
<b>NOTE 5 - SHORT-TERM BORROWINGS SECURED</b>			
- Working Capital Demand Loans from Banks	3,900.00	3,921.24	
- Cash Credit from Banks	8,080.17	17,064.24	
- Loan Against Deposits	-	300.00	
The above working capital loans extended by consortium bankers 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 State Bank of India, at Madurai, Ramnad, Tuticorin, and Salem, and in the case of ING Vysya Bank property at Trichy and in the case of Karur Vysya Bank property at Oppanakara Street at Coimbatore and with Oriental Bank of Commerce property at Madurai and also further collaterally secured by properties owned by Whole time Directors except for ING Vysya Bank. 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.			
5.66 % (546220 shares) promoters share holding in the company has been pledged as collateral security for IDBI loan.			
3.73 % (360000 shares) promoters share holding in the company has been pledged as collateral security for Indusind bank loan.			
3.11 % (300000 shares) promoters share holding in the company has been pledged as collateral security for Yes bank loan.			
The cash credit is repayable on demand and carries interest of 11.75% to 14.00% p.a			
All the above loans are further secured by personal guarantee of whole time of directors of the company.			
	<b>11,980.17</b>	<b>21,285.48</b>	



NOTES FORMING PART OF ACCOUNTS			(₹. In lakhs)
Particulars	As at March 31		
	2015	2014	
<b>The above amount includes</b>			
Secured Borrowings	11,980.17	21,285.48	
Unsecured Borrowings	-	-	
	<b>11,980.17</b>	<b>21,285.48</b>	
<b>NOTE 6 - TRADE PAYABLES</b>			
For Goods - Secured	3,403.09	-	
Unsecured	17.57	604.43	
	<b>3,420.66</b>	<b>604.43</b>	
<b>Secured Trade Payable</b>			
Trade Payables includes a sum of ₹ 1407.45 lakhs (Previous year ₹ Nil ) as Gold Metal loan availed from Nova Scotia bank against SBLC guarantee extended by YES and ING Vysya Bank for whom tangible securities were extended as covered under Note.5			
Trade Payables includes a sum of ₹ 1995.64 lakhs (Previous year ₹ Nil ) as Bill Discounted with IDBI bank secured collaterally by 2.07 % (200000 shares) promoters share holding of the Company.			
<b>NOTE 7 - OTHER CURRENT LIABILITIES</b>			
Current Maturities on Long term Loans	750.00	-	
Fixed Deposit from Public	712.93	498.30	
Liabilities for expenses	108.79	202.11	
Advance from Customers	6,173.45	6,250.23	
Interest accrued but not due on Fixed Deposits	146.34	112.45	
Unpaid Dividends	3.81	0.60	
Liabilities for capital goods	34.35	87.41	
Hire Purchase Vehicle Loan	4.68	17.98	
	<b>7,934.34</b>	<b>7,169.08</b>	
Advances from customers includes an amounts of ₹ 6,124.55 lakhs (PY ₹ 6169.41 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.			
Fixed deposit includes ₹68.41 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.			

<b>NOTES FORMING PART OF ACCOUNTS</b>			(₹. In lakhs)
<b>Particulars</b>	<b>As at March 31</b>		
	<b>2015</b>	<b>2014</b>	
<b>NOTE 8- SHORT-TERM PROVISIONS</b>			
Provision for Employee Benefits	24.76	35.00	
Proposed Equity Dividend	137.20	137.20	
Provision for tax on Proposed Equity Dividend	28.09	23.32	
	<b>190.04</b>	<b>195.51</b>	
<b>NOTE 10- DEFERRED TAX ASSETS</b>			
The breakup of net deferred tax assets is provided below:			
<b>Opening at</b>			
Related To Fixed Assets	(384.47)	(258.13)	
Disallowance under Section 43B of Income Tax Act, 1961	(2.66)	(18.22)	
Unabsorbed losses	930.48	-	
<b>Total Deferred Tax Asset / (Liability)</b>	<b>543.36</b>	<b>(276.35)</b>	
<b>Movement During the year</b>			
Related to Fixed Assets	(22.84)	(126.34)	
Disallowance under Section 43B of Income Tax Act, 1961	(16.21)	15.57	
Unabsorbed losses	1,109.10	930.48	
Depreciation on Change in useful life of assets	48.15	-	
	<b>1,118.19</b>	<b>819.71</b>	
<b>Closing at</b>			
Related to Fixed Assets	(359.17)	(384.47)	
Disallowance under Section 43B of Income Tax Act, 1961	(18.87)	(2.66)	
Unabsorbed losses	2,039.58	930.48	
	<b>1,661.55</b>	<b>543.36</b>	
<b>NOTE 11 - LONG TERM LOANS AND ADVANCES</b>			
<b>Capital Advances</b>			
Unsecured, Considered good	345.13	314.12	
Long term loans and advances includes a sum of ₹ 46.58 lakhs due from a party and secured by immovable property valued around ₹ 60 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.			
<b>Advance recoverable in cash or kind</b>			
Unsecured, considered good	37.64	46.00	
Rental Advances - Unsecured, Considered Good	631.22	644.66	
Deposits with Government / Statutory bodies	35.51	33.16	
	<b>1,049.50</b>	<b>1,037.94</b>	





NOTE 9 - FIXED ASSETS AND DEPRECIATION

Tangible Assets as on 31st March 2015

₹ in lakhs

HEAD OF ASSETS	GROSS BLOCK					NET BLOCK				
	Opening as on April 1, 2014	Additions / Transfer	Deletions / Transfer	Closing as on March 31, 2015	Opening as on April 1, 2014	For the year	Transfer to Profit and Loss Account	Deletions	Closing as on March 31, 2015	Closing as on March 31, 2014
LAND	2,276.55	-	-	2,276.55	-	-	-	-	2,276.55	2,276.55
BUILDINGS	1,149.04	39.88	-	1,188.92	63.18	18.72	-	-	1,107.02	1,085.86
LEASEHOLD BUILDING	81.58	-	-	81.58	19.48	1.00	-	-	61.10	62.10
PLANT & MACHINERY	1,114.41	22.65	-	1,137.06	165.93	78.53	-	-	892.60	948.48
COMPUTER HARDWARE	968.39	22.41	-	990.80	615.71	206.05	6.62	-	162.43	352.69
FURNITURE & FITTINGS	3,083.90	24.77	-	3,108.66	508.13	358.87	29.18	-	2,212.49	2,575.77
VEHICLES	334.22	17.17	14.16	337.24	169.90	62.57	-	9.20	113.97	164.33
<b>TOTAL</b>	<b>9,008.10</b>	<b>126.88</b>	<b>14.16</b>	<b>9,120.82</b>	<b>1,542.32</b>	<b>725.73</b>	<b>35.80</b>	<b>9.20</b>	<b>6,826.15</b>	<b>7,465.77</b>

Intangible Assets as on 31st March 2015

Capital Work in Progress (Including Advances)				
COMPUTER SOFTWARE	736.58	130.47	867.05	694.15
Previous Year	8,443.86	1,367.08	9,744.67	7,394.04

Capital work in Progress includes ₹ 124.58 Lakhs (Previous year ₹124.58 Lakhs) on account of work in progress and ₹ 644.84 Lakhs (Previous year ₹ 564.46 Lakhs) for Interiors and other assets for upcoming centralised purchase division.

The Capital Work in Progress represents amount spent on creating various infrastructural facilities required for centralized procurement, manufacturing, processing and warehousing functions relevant for the business operations that would significantly enable the competitive positioning of the Company in the Branch Net Working Expansion Plan that would be fully operational in due course of time.



NOTES FORMING PART OF ACCOUNTS			(₹. In lakhs)
Particulars	As at March 31		
	2015	2014	
<b>CURRENT ASSETS</b>			
<b>NOTE 12 - INVENTORIES</b>			
Raw Materials	233.81	2,428.03	
Work-in-Progress	296.83	273.89	
Finished Goods	28,091.24	31,273.57	
Packing Materials and Gift items	246.72	261.52	
	<b>28,868.59</b>	<b>34,237.00</b>	
<b>Mode of Valuation</b>			
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.			
<b>NOTE 13 - TRADE RECEIVABLES</b>			
<b>Trade Receivables</b>			
Unsecured, Considered Good	-	-	
- Outstanding for a period exceeding six months	-	-	
- Others	30.36	24.20	
	<b>30.36</b>	<b>24.20</b>	
<b>NOTE 14 - CASH AND CASH EQUIVALENTS</b>			
Balance with Banks	185.39	187.24	
Cheques/ Drafts on Hand	12.66	58.64	
Cash on Hand (As certified by Management)	145.36	783.29	
Dividend Account	3.86	0.60	
Fixed Deposit / Margin Money Deposit under Lien	-	540.10	
Deposits with original maturity less than 12 Months	226.54	114.65	
	<b>573.81</b>	<b>1,684.52</b>	
<b>NOTE 15 - SHORT TERM LOANS AND ADVANCES</b>			
Unsecured - Advances to Employees	10.98	24.25	
	<b>10.98</b>	<b>24.25</b>	



NOTES FORMING PART OF ACCOUNTS			(₹. In lakhs)
Particulars	As at March 31		
	2015	2014	
<b>CURRENT ASSETS</b>			
<b>NOTE 16 - OTHER CURRENT ASSETS</b>			
Advance Recoverable in Cash or kind Unsecured, considered good	87.64	75.28	
Advance to Suppliers/ Expenses	364.45	847.11	
Prepaid Expenses	160.49	133.37	
Advance Payment of Income Tax (Net of Provisions)	405.39	398.76	
	<b>1,017.98</b>	<b>1,454.52</b>	
<b>NOTE 17 - REVENUE FROM OPERATIONS</b>			
<b>Sale of Products</b>			
Finished Goods - Gold and Silver	1,27,008.61	1,13,373.53	
Traded Goods -	15,117.67	5,756.53	
	<b>1,42,126.28</b>	<b>1,19,130.05</b>	
<b>NOTE 18 - OTHER INCOME</b>			
Interest Income (TDS ₹ 6.64 lakhs (P.Y ₹ 9.85 lakhs)	68.86	97.50	
Other Operating Income	88.22	383.92	
	<b>157.07</b>	<b>481.42</b>	
<b>NOTE 19 - COST OF RAW MATERIALS CONSUMED</b>			
Opening Stock	2,428.03	2,654.78	
Add: Purchases	1,15,885.95	92,787.52	
	1,18,313.98	95,442.30	
Less: Closing Stock	233.81	2,428.03	
	<b>1,18,080.17</b>	<b>93,014.27</b>	
<b>NOTE 20 - PURCHASE OF STOCK-IN-TRADE</b>			
Traded goods	14,794.51	5,400.65	
	<b>14,794.51</b>	<b>5,400.65</b>	
<b>NOTE 21 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>			
<b>Closing Stock</b>			
Work in Progress	296.83	273.89	
Finished Goods	28,091.24	31,273.57	
	<b>28,388.06</b>	<b>31,547.46</b>	
<b>Opening Stock</b>			
Work in Progress	273.89	77.18	
Finished Goods	31,273.57	43,592.45	
	31,547.46	28,091.24	
Increase / Decrease in Work in Progress and Finished Goods and stock in trade	<b>3,159.39</b>	<b>12,122.17</b>	



NOTES FORMING PART OF ACCOUNTS			(₹. In lakhs)
Particulars	As at March 31		
	2015	2014	
<b>NOTE 22 - MANUFACTURING EXPENSES</b>			
Making Charges	773.70	766.63	
Stores and consumable	23.53	23.14	
Manufacturing Wages	124.88	48.89	
	<b>922.11</b>	<b>838.66</b>	
<b>NOTE 23 - EMPLOYEE BENEFIT EXPENSES</b>			
Salaries and Bonus	1,499.99	1,118.41	
Contribution to PF and Other Funds	175.04	170.97	
Staff Welfare Expenses	278.83	340.33	
Director's Remuneration	180.00	144.00	
	<b>2,133.87</b>	<b>1,773.71</b>	
<b>NOTE 24 - FINANCE COSTS</b>			
Interest on			
- Cash Credit and Working Capital Demand Loan	2,253.22	2,755.38	
- Term Loan	119.76	-	
- Gold Metal Loan	35.99	226.68	
- Fixed Deposits	269.79	247.97	
Bank Charges and Commission	235.11	240.28	
	<b>2,913.87</b>	<b>3,470.31</b>	
<b>NOTE 25 - OTHER EXPENSES</b>			
Rent	365.39	298.50	
Rates & Taxes	31.51	52.16	
Insurance	100.78	157.69	
Power and Fuel	285.17	391.44	
Postage and Telephone charges	86.71	77.10	
Advertisement and Publicity Expenses	726.53	1,964.28	
Selling Promotional Expenses	602.16	815.75	
Travelling Expenses	66.12	113.62	
Director's Sitting Fees	0.70	0.75	
Professional Charges	71.67	43.08	
Printing and Stationery	22.78	31.02	
Payment to Auditors	38.48	38.48	
Repairs & Maintenance			
- for Building	8.66	39.02	
- for Vehicles and others	193.01	267.90	
Impairment of Assets	-	19.99	
Security Charges	132.09	149.46	
Donation	0.06	2.50	
Other Expenses	20.03	40.69	
	<b>2,751.84</b>	<b>4,503.44</b>	



NOTES FORMING PART OF ACCOUNTS			(₹. In lakhs)
Particulars	As at March 31		
	2015	2014	
The details of Audit Fees are as follows:			
(i) Payment to Statutory Audit			
Nature of Services			
For Statutory Audit	16.50	16.50	
For Tax Audit	4.00	4.00	
For Limited Review	9.75	9.75	
For Certification Work etc.	4.00	4.00	
For Expenses and Service Tax	4.23	4.23	
	<b>38.48</b>	<b>38.48</b>	

## NOTES FORMING PART OF ACCOUNTS

### 26. Contingent Liabilities

#### a) Capital commitments

(₹ in lakhs)

Description	2014-15	2013-14
Estimated value of Contract remaining to be executed on capital account net of advances not provided for.	25.00	75.00

**b)** Show cause notice for a demand of less payment of customs duty on imported goods pertaining to last year for ₹ 154 lakhs received by the company. The company has filed an appeal against the aforesaid show cause notice with appropriate authority. The company is advised that it has got more than reasonable chance for success and hence no provision is made in the books. Therefore, the liability if any is contingent in nature.

**c)** In respect of – outstanding Letter Credit given to bankers ₹ 1407.45 lakhs (previous year ₹ Nil)

**d)** The Commercial Tax office, Nethaji Road Circle, Madurai has issued a notice of demand/ recovery notice under the TNVAT, 2006 for the year 2006-07 to 2009-10 for the payment of ₹50.70 lakhs towards liability of disallowance of input tax and classification of goods. The company has filed an appeal against the aforesaid notice. The matter is currently pending with the High court of Madras and with various appellate authorities.

**27. Related Party Disclosures**

In accordance with the requirements of Accounting Standards (AS) – 18 **“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)	<ul style="list-style-type: none"> <li>- Balarama Govinda Das – Managing Director</li> <li>- Ba. Ramesh – Joint Managing Director</li> <li>- N. B. Kumar – Joint Managing Director</li> </ul>
b)	Relatives of KMP	<ul style="list-style-type: none"> <li>- Yamuna Vasini Deva Dasi (Wife of Managing Director)</li> <li>- B. Prasannan (Manager), B. Rajeshkanna (Manager), N. B. Arun (Sons of Managing Director)</li> <li>- B. R. Sumati (Wife of Ba. Ramesh, JMD)</li> <li>- Ba.R.Darmini (Daughter of Ba.Ramesh, JMD)</li> <li>- S.K.Yadeenthranathan (Son-in-Law of Ba. Ramesh – JMD)</li> <li>- R. Gokul (Son of Ba. Ramesh, JMD)</li> <li>- K. Thamaraiselvi (Wife of N. B. Kumar, JMD)</li> <li>- K. Kishore Lal (Son of N. B. Kumar, JMD)</li> </ul>
c)	Enterprises over which Key Managerial Personnel (KMP) and their relatives have substantial interest	<ul style="list-style-type: none"> <li>- Thangamayil Gold and Diamond Private Limited</li> <li>- Balusamy Silvears Jewellery Private Limited</li> </ul>





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

Amount (in ₹ lakhs)

Transactions with Key management personnel		
Description	as at 31.03.15	as at 31.03.14
<b>Remuneration</b>		
Balarama Govinda Das	60.00	48.00
Ba. Ramesh	60.00	48.00
N. B. Kumar	60.00	48.00
<b>Amounts payable at the year end</b>		
Balarama Govinda Das	190.67	83.00
Ba. Ramesh	226.67	104.00
N. B. Kumar	200.67	133.50
<b>Rent Paid</b>		
Balarama Govinda Das	43.00	36.00
Ba. Ramesh	6.00	6.00
N. B. Kumar	8.40	6.00
<b>Rent Advances</b>		
Balarama Govinda Das	35.00	35.00
Ba. Ramesh	5.00	5.00
N. B. Kumar	5.00	5.00
<b>Interest Paid/ Payable</b>		
Balarama Govinda Das	17.13	9.66
Ba. Ramesh	18.88	9.66
N. B. Kumar	18.18	9.66
<b>Dividend Paid</b>		
Balarama Govinda Das	28.57	141.18
Ba. Ramesh	28.82	142.14
N. B. Kumar	28.41	140.23
<b>Transactions with Relatives of KMP</b>		
B. Rajeshkanna	15.00	15.00
B. Prasannan	15.00	15.00
S.K.Yadeenthranathan	15.00	15.00
N.B. Arun	7.00	-
R.Gokul	7.00	-
<b>Dividend Paid</b>		
B. Rajeshkanna	0.21	1.07
B. Prasannan	0.21	1.07
K. Thamarai Selvi	0.23	1.13
Ba.R.Darmini	0.22	1.12
Yamuna Vasini Deva Dasi	0.20	1.01
R. Gokul	0.13	0.67
N.B. Arun	0.22	1.12

**Transactions with Key management personnel**

Description	as at 31.03.15	as at 31.03.14
<b>Enterprises over which KMP and their relatives have substantial interest</b>		
<b>Interest Paid</b>		
Thangamayil Gold and Diamond Private Limited	7.00	0.88
Balusamy Silvers Jewellery Private Limited	2.00	0.80
<b>Dividend Paid</b>		
Thangamayil Gold and Diamond Private Limited	7.01	43.89
Balusamy Silvers Jewellery Private Limited	2.25	14.67

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.

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

Sl. No.	Particulars	2014-15	2013-14
a)	Amount used as the numerator Profit/(Loss) after tax (A) (₹ in lakhs)	(2,228)	(1,257)
b)	Basic / Weighted average number of Equity Shares used as the denominator - (B)	13,719,582	13,719,582
c)	Nominal value of Equity shares (₹)	10	10
d)	Basic / Diluted Earnings per share - (A/B) (₹)	(16.24)	(9.16)

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

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

₹ in lakhs

Particulars	31.03.2015	31.03.2014
Employer's Contribution to Provident Fund	106.36	116.17
Employer's Contribution to Employees' State Insurance Scheme	44.83	44.65

**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.

(Amount in ₹ lakhs)

Particulars	31.03.2015	31.03.2014
<b>Change in Obligation</b>		
1. Obligations at the beginning of the year	75.11	64.89
2. Add: Current Service Cost	6.01	23.98
3. Add: Interest Cost	20.26	5.19
4. Add: Actuarial (Gain)/Losses due to change in assumptions	6.62	(11.78)
5. Less: Benefits paid	11.01	7.17
6. Obligations at the end of the year	<b>96.99</b>	<b>75.11</b>
<b>Fair value of Plan Assets</b>		
1. Fair value of Plan assets at the beginning of the year	107.15	71.59
2. Add: Expected Return on Plan Assets	9.17	7.39
3. Add: Actuarial Gain/(Loss)	-	-
4. Add: Contribution	2.66	35.34
5. Less: Benefits paid	11.01	7.17
6. Fair value of Plan assets at the end of the year	<b>107.97</b>	<b>107.15</b>
<b>Actual Return on Plan Assets</b>		
1. Expected Return on Plan Assets	9.17	7.39
2. Actuarial Gain/(Loss) on Plan Assets	-	-
Actual Return on Plan Assets	<b>9.17</b>	<b>7.39</b>
<b>Amount Recognized in Balance Sheet</b>		
1. Present value of Obligation as at March 31	107.97	75.11
2. Less: Fair value of Plan Assets as at March 31	96.99	107.15
3. Net Liability/ (Asset) recognized in the Balance Sheet	<b>(10.98)</b>	<b>(32.04)</b>
<b>Expenses recognized in Profit and Loss</b>		
1. Current Service cost as per Valuation Report	20.26	23.98
2. Add: Interest cost	6.01	5.19
3. Less: Expected Return on Plan Assets	9.17	7.39
4. Add: Actuarial (Gain) / Loss	6.62	(11.78)
5. Expense recognized in Profit and Loss account	<b>23.72</b>	<b>10.01</b>
<b>Actuarial Assumptions</b>		
Discount Rate (Per Annum)	8%	8%
Expected Rate of Return on Plan Assets (per annum)	-	-
Salary Escalation (per annum)	5%	5%



- a. Advance Recoverable in cash or kind includes ₹10.99 lakhs (Previous year ₹32.04 lakhs) being the net assets recognized as per actuarial valuation of gratuity fund as per Accounting standard (AS) 15- "Employee Benefits".
- b. 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.
- c. 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.
- d. 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.

### 30. 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 Accounting Standard (AS) 17- "Segment Reporting" issued by The Institute of Chartered Accountants of India.

31. The company accepted from third Parties gold (22Kt. in Purity) in metal form for Job work conversion into gold ornaments to be delivered as per terms agreed upon. The closing weight of such Job Work gold physically held by the Company as at 31/03/2015 is 34.11 Kgs. This being gold taken on Job Work basis, the same is not forming part of inventory of the Company.

32. 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 ₹ 365.39 Lakhs (Previous year ₹298.50 Lakhs).

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

(₹. In lakhs)

Particulars	2014-15	2013-14
Due within one year	428.41	375.97
Due in within one to five years	1346.10	1,372.54
Due after five years	2425.98	2,232.94

### 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	4.62	4.18

### 33. Accounting Standard (AS) - 25 "Interim financial reporting"

The Company has elected to publish quarterly financial results which were subject to limited review by the statutory auditors.



34. In the opinion of the management, there is no impairment in the carrying cost of fixed assets of the Company in terms of the Accounting Standard (AS) 28 " Impairment of Assets" issued by the Institute of Chartered Accountants of India.

### 35. Deferred Tax Assets

The Company is of the view that the business environment will become conducive to earn adequate profits in future years and will be able to recover fully the unabsorbed business and depreciation losses as per Income Tax Act and consequently the virtual certainty of recovering these losses being established. Deferred Tax Asset in accordance with Accounting Standard- 22 is recognized in the books in respect of these losses.

36. **Pursuant to implementation of change in depreciation methodology as per the Companies Act 2013, adopted in this year by your company has impacted results as follows.**

- The Value of Assets whose useful life is exhausted as on 01-04-2014, calculated under the Companies Act, 2013, amounting to ₹100.25 lakhs (excluding Deferred Tax amount of ₹ 48.15 lakhs) have been adjusted to opening balance of retained earnings.
- The depreciation for the year ended 31<sup>st</sup> March 2015 is higher by ₹ 212.12 lakhs when compared to the calculation of depreciation under erstwhile Companies Act, 1956.

### 37. Quantitative Information

**For the year ended 31<sup>st</sup> March 2015**

Class of Goods	Unit	Opening Stock	Purchase / Consumption	Sales	Closing Stock
Gold and Jewellery	Grams	10,63,996	48,21,868	48,76,756	10,09,108
Silver, Silver Golusu and Articles	Grams	37,30,832	1,74,58,196	1,69,46,443	42,42,585
Silver Articles	Pcs	27,366	81,249	82,744	25,871
Diamonds	Carats	1,024	59	205	878
Platinum and Precious Stones	Pcs	807	63	197	673
Alloy and Copper	Grams	38,434	(23,363)	-	15,071

**For the year ended 31<sup>st</sup> March 2014**

Class of Goods	Unit	Opening Stock	Purchases / Consumption	Sales	Closing Stock
Gold Ornaments and Jewellery	Grams	13,92,437	34,47,661	37,76,102	10,63,996
Silver, Silver Golusu and Articles	Grams	49,79,728	98,99,841	1,11,48,737	37,30,832
Silver Articles	Pcs	29,176	69,936	71,746	27,366
Diamonds	Carats	1,240	715	931	1,024
Platinum and Precious Stones	Pcs	952	171	316	807
Alloy and Copper	Grams	1,03,620	(65,187)	-	38,434

**38. Details of Products Sold – Broad Heads**

₹ in lakhs

Particulars	2014-15	2013-14
<b>Finished Goods Sold</b>		
Gold Ornaments	119,681.58	107,483.86
Silver Items	7,327.03	5,889.67
	<b>127,008.61</b>	<b>113,373.53</b>
<b>Traded Goods Sold</b>		
Gold Ornaments	14,724.14	4,876.49
Diamonds	119.07	587.72
Silver Items	274.46	292.31
	<b>15,117.67</b>	<b>5,756.52</b>

**Details of Materials Consumed -Broad Heads**

(₹. In lakhs)

Particulars	2014-15	2013-14
<b>Details of Materials Consumed</b>		
Gold Ornaments	129,411.17	105,179.60
Silver Items and Diamonds	6,622.90	5,357.50
	<b>136,034.07</b>	<b>110,537.10</b>



**Details of Inventory – Broad Heads**

Particulars	2014-15	2013-14
Pure Gold	73.49	835.91
Gold Ornaments	26,317.38	30,487.04
Silver Items	1,624.21	1,979.33
Diamonds	606.79	673.21
	<b>28,621.87</b>	<b>33,975.48</b>

**39. Expenditure in Foreign Currency****(₹ in Lakhs)**

Particulars	2014-15	2013-14
Travelling Expenses	-	12.03
Purchase of Goods	-	2,568.70

40. The Company has no dues to micro and small enterprises during the year ended March 2015 and March 2014.
41. All figures have been rounded off to the nearest thousands.
42. Previous year figures have been regrouped / reclassified to make them comparable with that current year.

**SUBJECT TO OUR REPORT OF EVEN DATE**

**For B. Thiagarajan & Co.,**  
Chartered Accountants  
**M.No.219156**

**D.Aruchamy**  
Partner  
**M.No.219156**

Place - Madurai  
Date - May 25, 2015

**For Thangamayil Jewellery Limited**

**Balarama Govinda Das** Managing Director

**Ba. Ramesh** }  
**N.B.Kumar** } Joint Managing Directors

**Lalji Vora** }  
**V. R. Muthu** } Independent Directors

**V. Vijayaraghavan** Company Secretary

**B.Rajeshkanna** Chief Financial Officer



## NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the **15th Annual General Meeting** of the company will be held on Wednesday, 29th July 2015 at Chamber of Commerce 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 2015 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 Shri. N.B.Kumar who retires by rotation at the close of the Annual General Meeting and being eligible offers himself for re-appointment.
3. To declare a dividend on equity shares.
4. To ratify the appointment of M/s. B. Thiagarajan & Co., Statutory Auditors of the Company.

### SPECIAL BUSINESS

5. 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 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.T.R.Narayanaswamy (holding DIN 01143563), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who has been appointed as an Independent director in the Board Meeting held on 17.04.2015 consent of the Shareholders of the Company be and is hereby accorded for his appointment as an Independent Director of the Company to hold office for five consecutive years with effect from 17.04.2015 to 16.04.2020.

6. 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 Sections 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (appointment and qualification of Directors) Rules 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force Ms.Yamuna Vasini Deva Dasi (holding DIN 01388187), appointed as an Additional Director of the Company pursuant to the provisions of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and being eligible offer herself for appointment and in respect of whom the Company has received a notice in writing from a member pursuant to the provisions of section 160 of the Companies Act, 2013 signifying his intension to propose the candidature of Ms. Yamuna Vasini Deva Dasi for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation with effect from the date of this meeting.

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



**RESOLVED THAT** in supersession of the earlier resolution limiting the borrowing powers of the Board of Directors of the Company up to Rs.750 crores (Seven hundred fifty crores) passed by the Company u/s.293 (1) ( d ) of the Companies Act, 1956 at its Annual General Meeting held on 18.07.2012, consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company u/s.180 ( 1 ) ( C ) of the Companies Act, 2013 to borrow monies from time to time up to a limit not exceeding in the aggregate Rs.750 crores (Seven hundred fifty crores) notwithstanding that monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.

8. To consider and if thought fit, to pass with or without modification (s), the following resolution as 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 up to a sum of Rs. 32.17 Crores from the Public and Rs. 12.87 Crores from the Shareholders of the Company (totaling to Rs.45.04 Crores) 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 31.03.2015.

**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

Place: Madurai  
Date: May 25, 2015

(CS.V.Vijayaraghavan)  
Company Secretary

## 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 clause 49 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 Corporate Office of the company not less than 48 hours before the commencement of the meeting.

1. Members are requested to bring their copies of the Annual Report for the meeting.
2. Members are requested to immediately notify any change of address:
  - (i) To the Depository participants (DPs) in respect of their electronic share accounts.
  - (ii) To the Registrar and 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 share folios.
3. The register of members and share transfer books of the company will remain closed from 22nd JULY 2015 TO 29th JULY 2015. (Both days inclusive) as per the requirements of the listing agreement.
4. 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](mailto:companysecretary@thangamayil.com)
5. Members are requested to quote their folio numbers in their correspondence always.
6. 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 change in bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars

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.

**7. Members holding shares in physical form can submit their PAN details to the Company / Registrars.**

Electronic copy of the annual report for 2014-15 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 2014-15 is being sent in the permitted mode.

**VOTING THROUGH ELECTRONIC MEANS:**

1. 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 15th 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 26th July 2015, 09.00 AM and ends on 28th July 2015, 5.00PM. 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) 22nd July 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.



- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

#### For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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).</li> </ul>

- (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) 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](http://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](mailto: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](mailto: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.

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

### **VOTING THROUGH BALLOT:**

The Company is providing the facility of ballot form in terms of clause 35 B of the listing agreement to those Shareholders who do not have access to E-Voting facility to send their assent or dissent in writing in respect of the resolution as set out in this notice. The Ballot form and instructions is enclosed along with the Annual Report. The last date for receiving the ballot form will be 28.07.2015 at 5.00 Pm. The Ballot form received after this date shall not be considered.

### **IN CASE OF MEMBERS RECEIVING THE PHYSICAL COPY:**

- I. (A) Please follow all steps from SI.No (I) to SI.No. (XVIII) above to cast vote.

(B) The Voting period begins 26th July 2015 09.00 Am IST and ends 28th July 2015 05.00 Pm IST. During this period Shareholders of the Company holding Shares in physical form or in dematerialized form as on the cutoff date 22nd July 2015 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.





- 2 Mr.S.Muthuraju ACS, Practicing Company Secretary (CPNo.4181) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.

(A) The Scrutiniser 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.

(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](http://www.thangamayil.com).

By Order of the Board of Directors  
For Thangamayil Jewellery Limited

Place: Madurai  
Date: May 25, 2015

(**CS.V.Vijayaraghavan**)  
Company Secretary

### Annexure to items 2,5 & 6 of the notice

#### Details of Directors seeking appointment / re-appointment at the Annual General Meeting

(In pursuance of Clause 49 of Listing Agreement)

Name of the Director	Shri. N.B.Kumar	Shri.T.R.Narayanaswamy	Smt.Yamuna Vasini Deva Dasi
Date of Birth	05.06.1966	14.03.1977	10.02.1957
Nationality	Indian	Indian	Indian
Date of appointment on the Board	24.03.2000	15.07.2010	04.02.2015
Qualification	SSLC	M.Com	PUC
Experience in functional areas	More than 2 decades experience in jewellery business	Rich experience in Business/Industry/ Commercial Spheres	Being associated with the Company's activities for quite some time
Number of Shares held in the company	2841451	Nil	20200
List of Directorships held in other Public Companies	Nil	Amararaja Batteries Ltd (Independent Director)	Nil
Chairman/Member in the Committees of the Boards of Companies in which he is a Director.	<b>Member</b> CSR Committee Stake Holder, Grievance and relationship committee	<b>Member</b> Audit Committee (Amararaja Batteries Ltd)	<b>Member</b> Nil

Directorship / Committee members exclude Directorships in private / foreign companies and companies incorporated under section 8 of the Companies Act, 2013

By Order of the Board of Directors

For **Thangamayil Jewellery Limited**

**(CS.V.Vijayaraghavan)**

Company Secretary

Place: Madurai

Date: May 25, 2015

## EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SEC.102 OF THE COMPANIES ACT, 2013

### **ORDINARY BUSINESS Item No. 4**

In the 14th Annual general meeting (AGM) of the company held on 30.7.2014 M/s. B.Thiagarajan & Co, Chartered Accountants (Firm Regn. No. 004371S) have been appointed as the Statutory Auditors of the company for a period of 3 years effective from the conclusion of 14th Annual General Meeting. In terms of the provisions of the Companies Act, 2013 it is necessary to get the appointment ratified by the Shareholders in every Annual General meeting until the expiry of the period of original appointment.

In view of the above, the Board of Directors recommends ratification of appointment of M/S. B. Thiagarajan & Co, (Firm Regn. No. 004371S) as statutory auditors as mentioned at Item no.4 of the notice.

### **SPECIAL BUSINESS Item No.5**

Mr.T.R.Narayanaswamy, is a Non-Executive Director of the Company and he has been appointed as an Independent Director in the Board Meeting held on 17.4.2015. He joined the Board of Directors of the Company on 15th July, 2010. He has been associated with the Company since 2010 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. He does not hold by himself or for any other person on a beneficial

basis, any shares in the Company. Shri.T.R.Narayanaswamy is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri. T.R.Narayanaswamy being eligible and having been appointed an Independent Director for five consecutive years for a term up to 16th April, 2020, consent of the Shareholders is sought for his appointment. In the opinion of the Board, Mr T.R.Narayanaswamy fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri. T.R.Narayanaswamy 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 Shri. T.R.Narayanaswamy as an Independent Director. Accordingly, the Board recommends the resolution in

relation to appointment of Shri. T.R.Narayanaswamy as an Independent Director, for the approval by the Shareholders of the Company.

### **MEMORANDUM OF INTEREST:**

Except Shri. T.R.Narayanaswamy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution set out at 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**

The Board of Directors (based on the recommendation of Nomination & Remuneration Committee) has appointed M/S.Yamuna Vasini Deva Dasi as an Additional Director (a Woman Director u/s.149 of the act) from 04.02.2015. In terms of section 161 (1) of the Companies Act, 2013 read with 151 of the Articles of Association of the Company, MS. Yamuna Vasini Deva Dasi holds office as additional director only up to the date of forthcoming Annual General Meeting.

The Company has received a notice pursuant to section 160 of the Companies Act, 2013 along with requisite deposit from one of the members signifying his intention to propose the appointment of MS. Yamuna Vasini Deva Dasi as a director.

The Board of Directors is of the opinion that her association with the Company will be of great value and hence recommends the resolution for your approval. Notice received u/s.160 of the Companies Act, 2013 is available for inspection by the members at the corporate office of the Company during the business hours up to the date of Annual General Meeting.

### **Memorandum Of Interest:**

None of the Directors, Key Managerial Personnel and their relatives except M/s.Yamuna Vasini Deva Dasi being an appointee and Mr.Balarama Govinda Das (Managing Director), Mr.Ba.Ramesh & Mr.N.B.Kumar (Joint Managing Directors) is deemed to be interested in this resolution.

### **ITEM NO.7**

The Company has earlier passed ordinary resolution for borrowing powers up to ₹750 crores (Seven hundred fifty crores) vide Annual General Meeting dated 18.07.2012 under the Companies Act, 1956. Now in terms of GC.No. 4/2014 MCA has set an expiry date in respect of resolution passed by the Companies u/s.293 prior to 12.09.2013 to have validity for an year i.e., up to 12.09.2014.

It is therefore required that we have to pass this resolution u/s.180 (1) (c) of the Companies Act, 2013 necessarily in order to keep the validity of borrowing powers up to ₹750 crores (Seven hundred fifty crores) alive as set in supra. Hence the said resolution has been proposed and the Board recommends the resolutions for your approval.

### **Memorandum of Interest:**

None of the Directors, Key Managerial Personnel and their relatives are deemed to be interested in this resolution.

### **ITEM NO.8**

Under section 73 and 76 of the Companies Act, 2013 "read with" (Acceptance of Deposits) Rules, 2014, it has become mandatory to the Company to obtain prior consent of the Shareholders of the Company with regard to acceptance of deposits under the Act, every year from 01.04.14 onwards.

As an eligible Company u/s.76, of the Act for acceptance of public deposits from public since we are fulfilling the criteria of networth of ₹100 crores or more and turnover of ₹500 crores or more as prescribed for the eligible public Companies under the Act.

Accordingly the said resolution duly recommended by the Board is placed before the Annual General Meeting for your approval.

None of the Directors, Key Managerial Personnel and their relatives are deemed to be interested in this resolution.

By Order of the Board of Directors  
For Thangamayil Jewellery Limited

Place-Madurai  
Date-May 25, 2015

(**CS.V.Vijayaraghavan**)  
Company Secretary



## Notes

**BALLOT FORM****(in lieu of e-voting)****Sr.No**

1. Name(s) of Shareholder(s) (including joint holders, If any)	
2. Registered address of the Sole/First named Shareholder	
3. Folio No. / DPID No. / Client ID No.*	
4. No. of Shares held	

5.I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice dated 25<sup>th</sup> May, 2015 convening the Annual General Meeting of the Company to be held on 29<sup>th</sup> July, 2015 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark in the appropriate box below:

Item. No	Description	Type of resolution	No. Of equity Shares	I / We assent to the resolution (FOR)	I / We dissent to the Resolution (AGAINST)
1	To consider and adopt the audited Balance sheet as at 31.03.2015 & the Profit & Loss account along with report of Directors, Auditors & Secretarial auditor thereon.	Ordinary resolution			
2	To reappoint a Director in place of Shri. N.B.Kumar as a Director	Ordinary resolution			
3	To declare a dividend on equity shares	Ordinary resolution			
4	To ratify M/S.Thiagarajan & Co, Chartered Accountants, as statutory auditors	Ordinary resolution			
5	To appoint Shri. T.R.Narayanasmay as Independent Director	Ordinary resolution			
6	To appoint Ms.Yamuna Vasini Deva Dasi as a Director	Ordinary resolution			
7	To give consent for the borrowing powers of the Board up to Rs.750 Crores u/s.180 (1) (c) of the Act	Special resolution			
8	To give consent for acceptance of deposits u/s.73 & 76 of the Companies Act, 2013	Ordinary resolution			

Place :

Date :

**(Signature of the Shareholder)**

Note: Kindly read the instructions printed overleaf carefully before filling the form. Valid Ballot Forms received by the scrutinizer by 5.00 Pm on 28<sup>th</sup> July, 2015 shall only be considered.



## INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to Shri. S.Muthuraju, Company Secretary in Practice, The Scrutinizer, c/o.Thangamayil Jewellery Limited., Secretarial Department, Corporate Office, 25/6, Palami centre, New Natham Road, Madurai -625 014, so as to reach by 5.00 pm on 28th July 2015. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes, i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. M/s. SKDC consultants Ltd.). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID/Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for E-voting procedure are available in the Notice of the Annual General Meeting and are also placed on the website of the Company, [www.thangamayil.com](http://www.thangamayil.com).





## ATTENDANCE SLIP



### THANGAMAYIL JEWELLERY LIMITED

Registered 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 15th ANNUAL GENERAL MEETING of the Company held on Wednesday, 29<sup>th</sup> July, 2015 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

Registered 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) of .....shares of the above named Company hereby appoint:

- 1) .....of .....having e-mail id .....or failing him
- 2) .....of .....having e-mail id .....or failing him
- 3) .....of .....having e-mail id .....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 29<sup>th</sup> July, 2015 at 11.45 a.m. at Tamilnadu Chamber of Commerce & Industry, No. 178 B, Kamarajar Salai, Madurai - 625009 and at any adjournment there of 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	For	Against
1. To consider and adopt the audited Balance sheet as at 31.03.2015 & the Profit & Loss account along with report of Directors, Auditors & Secretarial auditor thereon.		
2. To reappoint a Director in place of Shri. N.B.Kumar as a Director		
3. To declare a dividend on equity shares		
4. To ratify M/S.Thiagarajan & Co, Chartered Accountants, as statutory auditors		

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Resolutions	For	Against
5. To appoint Shri.T.R.Narayanaswamy as Independent Director		
6. To appoint Ms.Yamuna Vasini Deva Dasi as a Director		
7. To give consent for the borrowing powers of the Board up to Rs.750 Crores u/s.180 (1) ( c ) of the Act		
8. To give consent for acceptance of deposits u/s.73 & 76 of the Companies Act, 2013		

Signature this.....day of.....2015

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 15<sup>th</sup> 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.

<p>Affix Revenue Stamp</p>
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# THANGAMAYIL JEWELLERY LIMITED

Corp.Office - 25/4, Palami Center, New Natham Road, Near Ramakrishna Madam.

Madurai - 625014. Phone : 0452 - 438 2815 / 438 2816, Fax : 0452 - 246 5553

TMJL | CS | Dt.06.07.2015



**THANGAMAYIL**  
JEWELLERY LIMITED

**BOMBAY STOCK EXCHANGE LIMITED**

Corporate Communications Department  
Floor 25,PJ Towers,  
Dalal Street,  
Mumbai- 400051

Sir,

SUB: Form A under Clause 31 of Listing Agreement

Please find below Form A for submission along with the Annual Report for the period ended 31<sup>st</sup> March, 2015 as per the format prescribed by SEBI U/S.11 of SEBI Act, 1992.

- |  |   |                               |
|--|---|-------------------------------|
| 1. Name of the Company                           | - | Thangamayil Jewellery Limited |
| 2. Annual Financial Statement for the year ended | - | 31 <sup>st</sup> March, 2015  |
| 3. Type of Audit observation                     | - | Un-qualified                  |
| 4. Frequency of observation                      | - | Not Applicable                |

**(Balarama Govinda Das)**

Managing Director

**(B.Thiagarajan & Co)**

Chartered Accountants

**(S.Rethinavelu)**

Chairman – Audit Committee

**Regd. office:** 124, Nethaji Road, Madurai 625001. Tel: 0452-2345553 Fax : 2344340

**Corporate Office :** 25/6, Palami center, II & III floor, Narayanapuram, Near Ramakrishna Mutt, New Natham Road, Madurai-625014. Tel : 0452 - 2565553 Fax : 2566560

Visit us : [www.thangamayil.com](http://www.thangamayil.com) email : [sales@thangamayil.com](mailto:sales@thangamayil.com) CIN-L36911TN2000PLCO44514