



THANGAMAYIL JEWELLERY LIMITED

16th ANNUAL REPORT 2015 - 16



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
NON EXECUTIVE 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

Karur Vysya Bank Limited

Oriental Bank of Commerce

IDBI Bank Limited

Indusind Bank Limited

Yes Bank Limited

Kotak Mahindra Bank Limited

Axis Bank Limited

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

Date : 27th July 2016

Time : 11.45am

Venue: Tamilnadu Chamber of Commerce & Industry

#178B - Kamarajar Salai, Madurai - 625 009



FIVE YEARS REVIEW OF FINANCIALS

(₹ In lakhs)

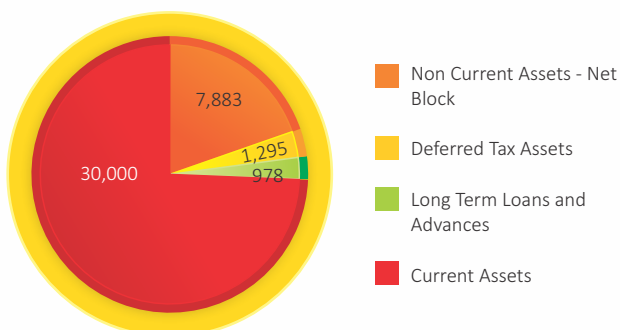
Year Ended 31st March		2016	2015	2014	2013	2012
1	Sales	1,27,199	1,42,126	1,19,130	1,52,298	1,13,130
2	Other Income	276	157	481	181	32
3	Cost of materials	1,18,148	1,36,956	1,11,376	1,35,952	98,088
4	Salaries, Wages and Bonus	2,427	2,134	1,774	2,181	1,287
5	Other Expenses	2,302	2,752	4,503	5,879	1,981
6	Interest and financial expenses	2,364	2,914	3,470	3,702	2,848
7	Depreciation	815	826	565	459	224
8	Tax expenses	367	-1,070	-820	1,342	2,829
9	Profit/(Loss) after Tax	1,053	-2,228	-1,257	2,963	5,905
10	Dividend (including tax)	165	165	161	797	1,116
11	Non-Current Assets - Net Block	7,883	8,208	8,849	7,751	6,359
12	Deferred Tax Assets	1,295	1,662	543	-	-
13	Long Term Loans and Advances	978	1,049	1,038	986	675
14	Other Non-Current Assets	-	-	-	-	1,152
15	Current Assets	30,000	30,502	37,424	50,776	38,961
16	TOTAL ASSETS	40,156	41,420	47,855	59,514	47,147
17	Share Capital	1,372	1,372	1,372	1,372	1,372
18	Reserves & Surplus	12,382	11,494	13,988	15,405	13,239
19	Long Term Borrowings	5,754	5,029	1,861	1,657	1,962
20	Deferred Tax Liability	-	-	-	276	763
21	Other Long Term Liabilities	-	-	1,380	1,780	474
22	Current Liabilities	20,648	23,525	29,255	39,022	29,337
23	TOTAL LIABILITIES	40,156	41,420	47,855	59,514	47,147



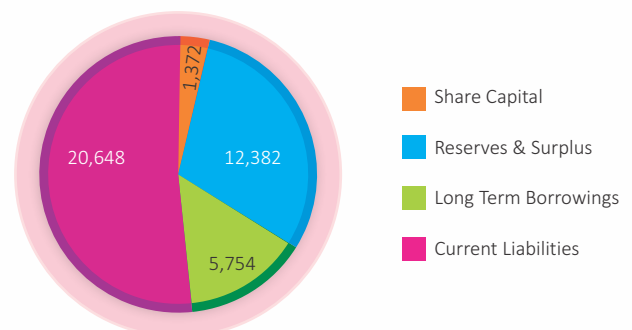
Key Financial Highlights - Performance at a Glance

Year Ended 31st March	2016	2015	2014	2013	2012
Sales and Income (₹ In lakhs)	1,27,475	1,42,283	1,19,611	1,52,479	1,13,162
EBIDTA Profits (₹ In lakhs)	4,599	441	1,959	8,467	11,806
Profit before tax (₹ In lakhs)	1,420	-3,298	-2,077	4,306	8,734
Profit after tax (₹ In lakhs)	1,053	-2,228	-1,257	2,963	5,905
Net worth Adjusted(₹ In lakhs)	13,754	12,866	15,360	16,777	14,611
Equity Capital (₹In lakhs)	1,372	1,372	1,372	1,372	1,372
Book value per share (in Rs)	100	94	112	122	106
Dividend (Incl. DDT) (₹ in lakhs)	165	165	161	797	1,116
Total outside Liabilities Adjusted (₹ in lakhs)	25,463	27,980	30,810	39,557	30,822
Number of branches in lease property	26	25	25	26	15
Number of branches in Own Property	5	5	5	5	5

Assets - ₹ in lakhs



Equity & Liabilities - ₹ in lakhs



Source and Utilization of Funds

(₹. In lakhs)

	Year Ended 31st March	2016	2015	2014	2013	2012
	Source of Funds					
1	Funds Generated from operation					
	(a) Profit after Taxes (net profit before tax minus tax outflow)	1,412	-3,305	-2,286	1,835	6,477
	(b) Depreciation	815	826	565	459	224
	(c) Miscellaneous Expenditure #	-	-	-	1,779	-
	(d) Other Income and Adjustments	-10	-	20	34	115
	Total	2,217	-2,479	-1,701	4,107	6,816
2	Net (Increase) / Decrease in Working Capital #	2,335	8,895	4,397	1,102	-15,710
		4,552	6,416	2,696	5,209	-8,894
	Utilization of Funds					
3	Capital Expenditure	482	333	1,683	1,849	3,980
4	Dividends pay out including DDT	165	161	797	1,116	159
5	Net (Increase)/ Decrease in Borrowings	3,905	5,922	216	2,244	-13,981
6	Miscellaneous Expenditure ##	-	-	-	-	948
		4,552	6,416	2,696	5,209	-8,894

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

Deferred Revenue Expenditure and Preliminary Expenses

Financial Ratios

Year Ended 31st March	2016	2015	2014	2013	2012
EBITDA / Turnover (in %)	3.61	0.31	1.64	** 5.55	10.43
PBT/ Turnover (in %)	1.11	-2.32	-1.74	2.82	7.72
Return on Average Capital Employed (in %)	9.28	-0.86	2.60	15.27	25.67
Return on Equity (in %)	7.66	-17.32	-8.18	17.66	46.03
Net Debt to Equity (In times)	1.08	1.05	1.43	2.01	1.87
Current Ratio	1.45	1.30	1.28	1.30	1.33
Net Worth Per Share (in ₹)	100.25	93.78	111.95	122.28	93.53
Earning Per Share (in ₹)	7.68	-16.24	-9.16	21.60	43.04
P/E Ratio (based 31st March quote)	23.58	-12.01	-14.74	9.51	4.07

** Profit is undervalued by Rs.28.17 Crores due to change in Accounting policy on Advertisement and Publicity Expenses

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



Chairman's LETTER



Dear Shareholders,

It gives me great pleasure to place before you, the financial statements for the year ended 31st March 2016. It is gratifying to note that the company could generate an EBITDA profit of ₹ 4599 lakhs in the year passed by as against an EBITDA profit of ₹ 441 lakhs in the earlier year. No concrete improvement was seen in the business environment. In fact, around the same level of volume we could achieve the increase in earnings. This was made possible due to extraordinary efforts made in the cost management side.

Except for a couple of months, the gold price was maintained more or less within a range thanks to steep depreciation of INR witnessed in the second half of the year. Due to introduction of central excise on gold ornaments in the budget, the industry went into nationwide strike that affected the last quarter sale of your company steeply. Even at reduced volume we could break even expenses for the fourth quarter due to better sales realisation. In fact, the closing inventory value at cost is less than the current gold price prevailing in the market. It augers well for the current year to start with.

As a measure of reassurance in the capability of the business model to perform well in the future and to sustain the earnings, I would like to place before you certain differentiation factors that enabled us to report a turnaround performance of your company in the year 2015-16. To mark a few,

- * *Improved stock turnover ratio both for Gold and Silver*
- * *Effective utilization of working capital funds*
- * *Definitive improvement in the cost management*
- * *Strategic price reduction to compete with market forces.*
- * *Incentive of labour pay-out*



After a long spell of declining gold price, the fourth quarter of the year witnessed a decent price rise and the momentum gained currently. When all other asset classes failed to generate sufficient income, the good old wisdom of "gold as a safe heaven assets" class gained conviction with the general public and core investors in the world. A clear bottom was formed in 15-16 for gold price movement. Expected geopolitical disturbance, weakening US \$, world-wide recession and increasing income in the hands of Indian households auger well for a sustained albeit moderate increase in the gold demand and bullish undertone for the price behaviours in the quarters to come.

As we enter the financial year 2016-17 the industry is faced with certain rigid regulatory framework post introduction of central excise duty on manufactured gold ornaments and the passing of legislation making it mandatory for "hall marked ornaments" for sales. These two important and far reaching regulations will ensure a speedier polarization impact in the industry. The entities that are well placed to take up these regulatory constraints would be benefitted in the long run. Your company is determined to grow well in this near perfect conditions of the market due its corporate structure.

In continuation of our well demonstrated goal of steeply reducing the dependence of bank borrowings your company has brought down the bank exposure from ₹ 15,383 lakhs to ₹ 11,327 lakhs. A small reduction in the turnover has not affected our performance and in fact your company has made a cash profit of ₹ 2,235 lakhs as against a cash loss of ₹ 2,472 lakhs of previous year.

In continuation of our efforts to earn the optimum out of our resources including infrastructural facilities created, we have formulated various operational strategies for the current year 16-17 as well. Out of existing retail outlets as many as ten branches are identified for giving a better ambiance and facelift. In 2015-16, we have done for Karaikudi and Annanagar (Madurai) branches that have given excellent results. Our sales from these two outlets improved by 40% in the last quarter of 2015-16 even though the last

quarter by itself was bad due to sagging demand due to steep increase in gold price and also due to Nationwide jewellery trade strike in the entire month of march 2016. We intend to start around 4 to 5 branches in the nearby areas so that the synergies associated in the operations could be maximized in current financial year 2016-17.

The outlook going forward looks better and we plan to strategically position the company in the areas we successfully operate currently by deeply penetrating in to the market with adequate inventory and work force on hand.

Even though the rural economy is sagging, a lot of positive factors governing for trade would improve business in the coming quarters. The 7th Pay commission implementation, expected better monsoon, improved Government spending on rural infrastructure, post state election scenario and increased relevance of gold as a safe heaven assets etc., will cumulatively contribute to the positive business environment after a long time.

Taking into consideration the need to conserve money for expanded working capital requirements necessitated by the gold price increase, a dividend of 10% (one rupee per ₹10 face value) is proposed by the board for your approval.

Before I conclude I would like to place on record my heart full gratitude to all our employees whose dedication and commitment is the main key factor for our turnaround in the year 2015-16. My thanks are also due to our bankers under multiple banking system and all our shareholders who have extended their valuable support, informed feedback and advice.

Look forward to have a rewarding year ahead (16-17).

With warm regards,
BY ORDER OF THE BOARD
For Thangamayil Jewellery Limited

BALARAMA GOVINDA DAS
Chairman

Place – Madurai
Date – May 25, 2016



Directors' Report To The Shareholders

Dear Shareholders,

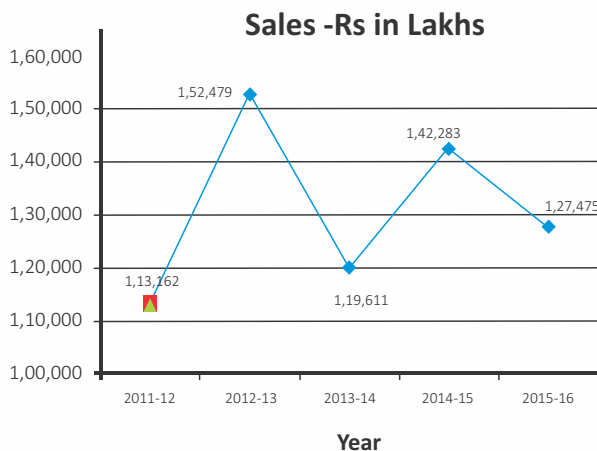
Your Directors have pleasure in presenting their 16th Annual Report and the Audited Accounts for the financial year ended March 31, 2016.

1) Financial Results

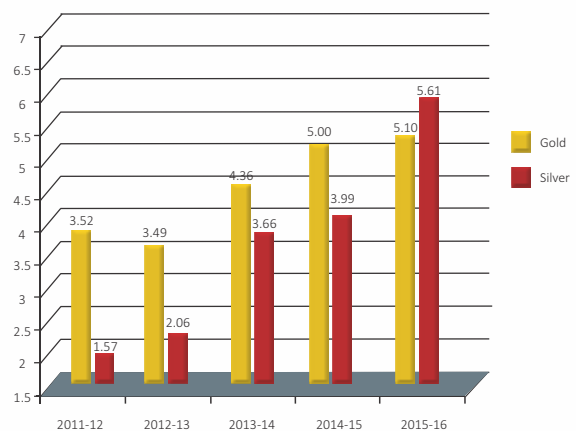
Highlights of Financial results for the year are as here under:

FINANCIAL RESULTS			(₹In lakhs)
Particulars	2015 - 2016	2014 - 2015	
Sales and Other Operating Income	1,27,475	1,42,283	
Gross Profit	9,052	5,170	
Earnings before Interest, Depreciation and Taxation (EBITDA)	4,599	441	
Finance Cost	2,364	2,914	
Depreciation	815	826	
Profit/(Loss) Before Tax (PBT)	1,420	(3,298)	
Tax	367	(1,070)	
Profit/(Loss) After Tax (PAT)	1,053	(2,228)	

Financial Performance



Stock Turnover (in Times)





On a revenue of ₹ 1,27,475 lakhs for the year, the Company made a gross profit of ₹ 9,052 lakhs post expenditures including interest outflow of ₹ 2,364 lakhs. The company made cash profit of ₹ 2,235 lakhs as against cash loss of ₹ 2472 lakhs. The PBT for the year is ₹ 1,420 lakhs. Under the hostile business environment, the performance is satisfactory.

The reduction in sale is primarily on account of reduced gold price prevailed in the better part of the year and also due to nationwide strike by the industry for the introduction of central excise duty in the entire month of March 2016.

The time based operating overheads mostly of fixed in nature could be earned in the entire month of March 2016. For the current year, we carry the inventory at the cost, whereas the current gold board rate prevailing is higher by ₹ 154 per gram. Hopefully on sustenance of the price, realization in the 16-17 at the current level would yield better results.

During the year one more branch at Virudhunagar was added aggregating the retail outlets in 31 places and two of the old branches namely Karaikudi and Anna Nagar (Madurai) were refurbished in order to get better ambience. The recent performance from these two branches is approximately 40% above the pre remodelling time.

Deferred Tax Assets

As at end of March 2015, we carried a deferred tax asset of ₹ 1,662 lakhs in the books and the same has got reduced to ₹ 1,295 lakhs, by virtue of operating profit earned by the company in 15-16.

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 better performance are summarized hereunder

- ✳ Constant monitoring of expenses including financial charges as a part of better cost management.
- ✳ Better realization of inventory in the last quarter of the year due to steep increase in gold price by 12% in the last quarter in spite of lesser sales.
- ✳ Optimum use of metal loan facility that acted as a natural hedge to the fluctuating gold price movement.
- ✳ Better sale of silver items both in volume and value.
- ✳ A modest favourable price difference in the local market for procurement of gold as against international price followed by the bankers for metal loan settlement.
- ✳ A better product mix of low weight but relatively better priced products in the sales composition.
- ✳ A marked reduction in the cost of finance from ₹ 2,914 lakhs to ₹ 2,364 lakhs registering a reduction of 23%.
- ✳ Increased off take of own manufactured items, that enjoyed an inherent cost advantage.
- ✳ All those factors cumulatively resulted in the reporting of EBITA of ₹ 4,599 lakhs as against EBITA profit of ₹ 441 lakhs. But for the steep fall in some months in the gold price, we would have performed much better operationally.

2) Key Initiatives Taken By The Management In 15-16

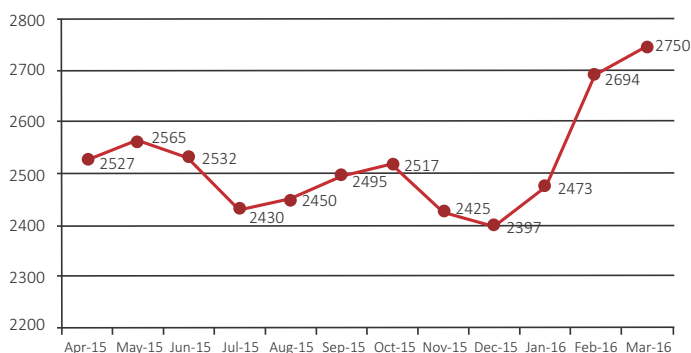
- ✳ To reduce the bank's working capital loan from ₹ 15,383 lakhs to ₹ 11,327 lakhs that resulted in an interest saving of ₹ 550 lakhs.
- ✳ Efforts were made to bring in the customer gold to achieve better rotation.
- ✳ More than 180 days gold inventory was brought down from 220 kgs to 142 Kgs



- * Continued with the labour incentive system to promote sales in a competitive environment.
- * Increase in the own manufacturing items resulting in a volume improvement.
- * Strictly following "Game Changer" plan business model, as conceived and implemented by the management.

3) Hedging to gold price fluctuation

Average Board Rate



The company by experience in the trade is not in favour of full stock hedging either with metal loan facility extended by the bank or in the MCX platform.

The company however is inclined to cover up to 60% of the current stock holding and fully cover the incremental inventory under metal loan facility. The balance 40% of the inventory as at March 2016 will be fixed for the definitive price. As indicated in the last year report, INR got depreciated from Rs. 62 to Rs. 67 currently and with the international price improved from US\$ 1050 to US\$ 1280 currently, there was no inventory loss in 15-16. As expected Government also did not reduce the customs duty payable on imports. There is no viable alternative platform for metal hedging in India as that of other countries.

Even though apparently the cost of interest on metal loan looks cheaper at 4% but in practice due to extreme price fluctuation of gold price, the effective interest cost moves up to 10% on many occasions. The Indian Gold Price is fixed based on the local supply and demand on a given date. Whenever gold price escalated steeply, the demand recedes for the metal.

Consequently, the local purchase rate for replenishment for gold sold is quoted with one percent or more as discount to the bank rate.

If we convert our entire inventory to metal loan, we are compelled to buy from the banks only, where the price is normally determined with reference to the international rate. The difference in price is acting as a deterrent for the business model.

Therefore, in a dynamic price environment, even though fully equipped to hedge the stock, the company will watch and closely monitor the movement of gold price and take an appropriate call. At the same time, what is sold on a daily basis will be covered on the same day. And therefore, on sale of gold ornament the issue of open position will not arise.





4) Continuing Challenges

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 15-16, 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. More over a shift in customer's preference for electronic goods as against gold also resulted in reduction in sales. Government regulation like furnishing of PAN card details for purchases above ₹2 lakhs, introduction of central excise duty, TCS under Income Tax Act, and mandatory Hall marking requiring also contributed to the reduction in sale. All those challenges are continuing even in the current year 2016-17 as well.

5) Future Prospects

Even though, there is no perceptible change noticed in the local demand for gold ornament, the positive movement in the gold price if sustained may bring better volume business in the second half financial year 2016-17, due to expectation of further increase in gold price locally. The implementation of 7th pay commission salary hike to Government Employees in urban areas and expectation of better monsoon for rural customer's auger well for the better performance in 2016-17. The continuous 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 bottom line of the company. More-over, the proposed five branches addition to retail business along-with the re-fabrication of at-least six existing branches will ensure better visibility and good volume growth in 2016-17. Therefore barring unforeseen circumstances, the management is of the view that a moderate growth in volume off take could be achieved in 16-17.

6) Manufacturing Facilities

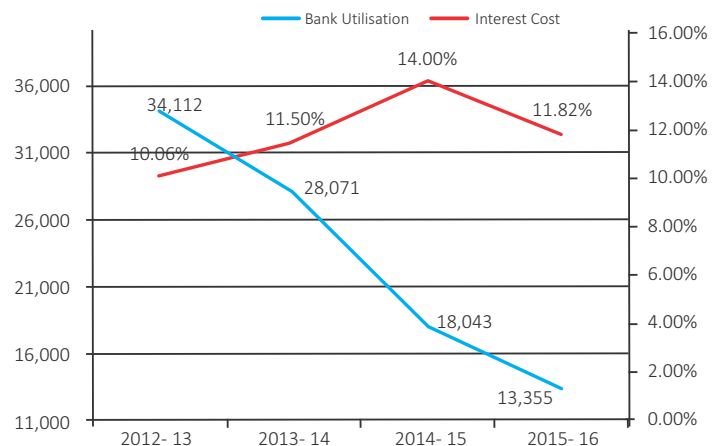
Utilisation of own manufacturing facilities is around 70% as against 55% of the earlier years. The overall cost of production has come down due to attainment of scale of economics in the manufacturing facilities. It is expected to improve the own manufacturing capacity utilisation to at-least 85% in the current year of 16-17.

7) Impact Of The Balance Sheet Liability Management

The proactive steps taken in the last two years is minimizing the working capital exposure with bankers in a demand sagging environment has yielded Good results. The high cost funds got to an extent feasible converted with the low cost metal loans. A substantial part of the working capital loan also got reduced from ₹ 15,383 lakhs to ₹ 11,327 lakhs.

At the same time, low cost funds from bank bill discounting limit, advance from customers were used in the system, to reduce the overall cost of funds. All the key financial parameters were improved. The impact of the interest cost reduction for bank borrowing is given below:

Year ended 31st March	Limits used (Average during the year)	Interest & Other charges	As a % (on loan availed)
	(₹. In lakhs)		
2013	34,112	3,434	10.06 %
2014	28,071	3,223	11.50%
2015	18,043	2,524	14.00%
2016	13,355	1,579	11.82%





In-fact, after long interval, this is the first time wherein the quantum of absolute reduction is commensurate to the quantum of loan exposure. The interest cover ratio is also improved due to better stock turnover ratio obtained due to better inventory management in 15-16 financial year.

The current outstanding limit with member bankers is ₹11760 lakhs.

A substantial reduction in the interest cost under the current contest has become a reality and it will further fructify positively in the on-going year 16-17 due to continued thrust and efforts made by the company in the areas of effective working capital management.

8) DIVIDEND

The Board of Directors of the Company are pleased to recommend a dividend of ₹1 /- (10%) per equity share for 2015-16 (₹ 1 in 2014-15) 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 21st July 2016 to 27th July 2016 (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.

The company proposes to transfer an amount of ₹ 200 lakhs to the General Reserves. An amount of ₹ 688 lakhs is proposed to be retained in the statement of Profit & Loss Account.

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 ₹ 1,157 Lakhs to our gross block comprising of ₹ 828 lakhs for Plant & Machinery and Furniture & Fittings and other assets and balance of ₹ 329 lakhs for Computer Equipment's including Software.

The capital work in progress of ₹ 769 lakhs as on 31st March 2015 became fully operational by end of the year. Accordingly, a sum of ₹ 648 lakhs is kept under capital work in progress is fully capitalized in this financial year and balance of ₹121 lakhs comprising of interiors and other assets still to be put in use are yet to be capitalised.

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

11) FINANCE

The secured working capital borrowings of the company as on March 31, 2016 stood at ₹11,327 lakhs as against ₹15,383 lakhs in the previous year. The reduction was possible with the help of internal accruals and increase in fixed deposit and unsecured loans. The existing sanctioned limit of ₹12,700 lakhs added with ₹2,000 lakhs as bill discounting limit with IDBI bank aggregating to ₹14,700 lakhs is sufficient to take care of current year requirement of the company.

Out of ₹3,000 lakhs, long term loan availed from Karur Vysya Bank, as per the terms of sanction, we have repaid ₹1,000 lakhs during the year and the balance of ₹2,000 lakhs is outstanding to be paid back in the next two years. Apart from this, the company availed the eligible fixed deposit from public and shareholders and the amount outstanding as on March 31, 2016 was ₹ 4,426 lakhs.

Apart from these serviceable borrowings, the company is also taking advances from customers within the permissible limit of the Company Law Regulations. The company is maintaining a healthy current ratio at 1:1.45 as on March 31, 2016. Therefore, the liquidity position of the company under current context of business requirement is adequate and sufficient. Post closure of credit facilities extended by State Bank of India due to non-availability of metal loan facilities, the company dismantled the consortium arrangement as the



aggregate loan exposure to the banking system got reduced from the threshold limit followed by the bankers. Currently, the company is enjoying an aggregate credit facility of ₹.127 crores under multiple banking arrangements.

12) Contribution to Exchequer

The Company is a regular payer of taxes and other duties to the Government. The Company has paid Value Added Tax of ₹1,220 lakhs for financial year 2015-16, as compared to ₹ 1,400 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, 2016, 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 2016-17 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 Regulation 27 of SEBI (LODR) 2015 of the Listing Agreement(s) with the Stock Exchange(s) forms part of this report.

The Chairman and Managing Director and Joint Managing Directors of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17 (8) of SEBI (LODR) 2015 of the listing agreement pertaining to CEO certification for the financial year ended 31st March 2016.

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 Regulation 17 (7) of SEBI (LODR) 2015 of the Listing Agreement with the Stock Exchanges, is given as a separate statement forming part of this Annual Report.

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 cordial relations without any interruption in work. As on 31st March 2016, the Company has 1077 employees on its rolls as against 1014 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 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

Foreign Exchange Outgo (₹. In lakhs)		
Particulars	2015-16	2014-15
Travelling Expenses	0.69	-

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

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

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

The objectives and scope of the Risk Management

Committee broadly reviews:

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

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 adequate natural hedging facility, the trade is left with no viable alternative except to leave a large portion of gold un-hedged. Your Board will take appropriate action in managing the fluctuation impact in gold price movement from time to time.

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) Internal Control Systems

The Board of Directors is responsible for ensuring that internal financial controls have been laid down in the Company and that such controls are adequate and are functioning effectively. TMJL has policies, procedures, control frameworks and management systems in place that map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013.

These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

Internal Financial Controls that encompass the policies, processes and monitoring systems for assessing and mitigating operational, financial and compliance risks and controls over related party transactions, substantially exist.

The management reviews and certifies the effectiveness of the internal control mechanism over financial reporting, adherence to the code of conduct and Company's policies for which they are responsible and also the compliance to established procedures relating to financial or commercial transactions, where they have a personal interest or potential conflict of interest, if any.

The Audit Division continuously monitors the efficacy of Internal Financial Controls with the objective of providing to the Audit Committee and the Board of



Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The audit plan is approved by the Audit Committee, which reviews compliance to the plan.

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

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

24) Details Of Policy Developed And Implemented By The Company On Its Corporate Social Responsibility Initiatives (CSR)

Based on last three years average Net profit, with financial year ended 31st March 2016 since the Company has incurred losses for 13-14, 14-15, there is no addition this year (Nil). But, however for earlier year unspent amount of ₹73 lakhs 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 Annual Report on CSR activities is annexed herewith as "Annexure 2".

25) 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".

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

A calendar for Meetings is prepared and circulated in advance to the Directors. During the year Eight Board Meetings and four Audit Committee Meetings were



convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

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; and

e) The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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 & Associate Companies

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

31) 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	1,709
2	Amount remained unpaid or unclaimed as at the end of the year	5.57
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

Mr. Ba.Ramesh, Director of the Company retires by rotation and being eligible seeks reappointment. Your Board commends 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 programme arranged for independent directors have been disclosed on website of the company and are available at www.thangamayil.com

Mr. T. R. Narayanaswamy, Independent Director of the Company has resigned from the Board due to his pressing business commitments and the same is



effective from the board meeting i.e., 25th May 2016. While the board has accepted his resignation and like to place an record its appreciation of his service as a Director in the Company, all these years and the fruitful association as well and the Board wishes him all the best.

In terms of regulation 27 of SEBI (IODR) Regulations, 2015 the Board has appointed Mr. V. Ramasamy, a practicing Company Secretary, New Delhi in the place of Mr. T. R. Narayanaswamy for a period of one year subject to approval of shareholders in the ensuing Annual General Meeting to be held on 27th July 2016.

34) Code of Conduct

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code.

The Code has been posted on the Company's website www.thangamayil.com. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

35) Statutory Auditors

The Company's Auditors, Messrs B.Thiagarajan & Co , Chartered Accountants, Chennai who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment.

The Company has received letter from them to the effect that their appointment, if ratified, would be

within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment.

The Board recommends ratification of their appointment from the conclusion of this Annual General Meeting up to the conclusion of next Annual General Meeting of the Company.

36) Secretarial Audit

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

37) Comments on Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by B.Thiagarajan & Co., Statutory Auditors, in their report and by Mr. S. Muthuraju, Company Secretary in Practice, in his secretarial audit report.

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

38) Internal Audit & 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 statues are exhaustively covered in their scope.

We have effective and adequate internal audit and control systems, commensurate with our business size. Regular internal audit visits to the operations are undertaken to ensure that high standards of internal controls are maintained at each level. Independence of the audit and compliance function is ensured by the auditors' direct reporting to the Audit Committee. Details on the composition and functions of the Audit Committee can be found in the chapter on Corporate Governance of the Annual Report.

**39) Significant & Material Orders Passed By The Regulators or Courts**

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

40) Enhancing Stakeholders Value

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation.

Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

41) Prevention of Sexual Harassment At Workplace

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as required under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013.

There were no such complaints received under the aforesaid policy during the year.

42) Disclosure of Composition of Audit Committee & Providing Vigil Mechanism

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

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report

The Audit Committee consists of the following members:

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

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

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

43) Annual Evaluation By The Board

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

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.

44) Prevention of Insider Trading:

In January 2015, SEBI notified the SEBI (Prohibition of insider trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto, the



Company has formulated and adopted a new Code for Prevention of Insider Trading.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code.

45) 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.

46) Forward-looking Statements

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations.

Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include domestic demand and demand and supply conditions affecting selling prices, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

47) Acknowledgements

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

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

BY ORDER OF THE BOARD
For Thangamayil Jewellery Limited

BALARAMA GOVINDA DAS

Managing Director

Ba. RAMESH

Joint Managing Director

N.B.KUMAR

Joint Managing Director

Place – Madurai

Date – May 25, 2016

**ANNEXURE 1 - TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2016**

Information Pursuant To Section 197(12) Read With Rule 5 Of The 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	Balarama Govinda Das	56:1
2	Ba. Ramesh	56:1
3	N.B.Kumar	56:1

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

S.No	Name of the Director	(₹. In lakhs)
1	Balarama Govinda Das	Nil
2	Ba. Ramesh	Nil
3	N.B.Kumar	Nil
4	CS.V. Vijayaraghavan (Company Secretary)	Nil
5	B. Rajeshkanna – Chief Financial Officer	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 - 1077

5) The explanation on the relationship between average increase in remuneration and Company Performance -

During the year company achieved profit of ₹1053 lakhs as against net loss after tax of ₹2,228 lakhs in the previous year. A registered growth of bottom line by 148% against which the directors of the Company are maintaining their remuneration at the existing level only.

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, 2016
1	Balarama Govinda Das	Managing Director	60.00	The Company has achieved profit of ₹1,053 lakhs for the year ended 31st March 2016 as against loss of ₹2,228 lakhs in previous year.
2	Ba. Ramesh	Joint Managing Director	60.00	
3	N.B.Kumar	Joint Managing Director	60.00	
4	CS.V. Vijayaraghavan	Company Secretary	10.50	
5	B. Rajeshkanna	Chief Financial Officer	15.00	

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	Particulars	As at 31st March 2015	As at 31st March, 2016	% performance
1	Market Price in ₹	194.80	181.40	
2	Market Capitalization in ₹ lakhs	267.25	248.89	-18% decrease
3	EPS	(16.24)	7.68	
4	Price Earnings Ratio	(16)	24	

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: Nil
- * 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 but 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 – Yes

ANNEXURE TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

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, 2016.
 - a. Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs.60,00,000/- per annum.

S. No	Name of the Employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration ₹ in lakhs	Last Employment
1	Balarama Govinda Das	24.3.2000	Managing Director	B.Com	60	36	60.00	Promoter Director
2	Ba.Ramesh	24.3.2000	Joint Managing Director	SSLC	55	24	60.00	Promoter Director
3	N.B.Kumar	24.3.2000	Joint Managing Director	SSLC	49	18	60.00	Promoter Director

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

Notes:

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
2	The Composition of the CSR Committee	Chairman - Balarama Govinda Das Members: Lalji Vora Ba. Ramesh N. B. Kumar CS. V. Vijayaraghavan
3	Average net profit of the company for last three financial years	Nil- Based on last three years average net profit, the company is not required to spend a sum.
4	Prescribed CSR expenditure (Two percent of the amount)	Nil-
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.	Nil Nil N.A.
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

Madurai.

Lalji Vora

Independent Director

May 25, 2016

**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)
NIL								

ANNEXURE - 4 TO DIRECTORS' REPORT

Policy for Selection of Directors and determining Directors' independence

I. Introduction

1.1 Thangamayil Jewellery Ltd (TMJL) believes that an enlightened Board consciously creates a culture of leadership to provide a long – term vision and policy approach to improve the quality of governance. Towards this, TMJL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 TMJL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. TMJL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.



2. Scope and Exclusion:

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

3. Terms and References:

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

3.1 “Director” means a director appointed to the Board of the Company.

3.2 “Nominations and Remuneration Committee” means the committee constituted by TMJL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3 “Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Policy:

4.1. Qualification and criteria

4.1.1. The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s global operations.

4.1.2. *In evaluation the suitability of individual Board members, the NR committee may take into account factors, such as:*

- * General understanding of the Company’s business dynamics, global business and social perspective;
- * Educational and professional background;
- * Standing in the profession;
- * Personal and professional ethics, integrity and values;
- * Willingness to devote sufficient time & energy in carrying out their duties & responsibilities effectively.

4.1.3. *The proposed appointee shall also fulfil the following requirements:*

- * Shall possess a Director Identification Number;
- * Shall not be disqualified under the Companies Act, 2013;
- * Shall give his written consent to act as a Director;
- * Shall endeavor to attend all Board meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- * Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;



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

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

4.2 Criteria of Independence

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

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

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

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent 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 percent or more of the gross turnover of such firm;



- iii) holds together with his relatives two percent 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 percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or
- v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f) Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g) Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h) Who is not less than 21 years of age.

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

4.3. Other Directorships / Committee Memberships

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

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

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

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

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

ANNEXURE - 4 TO DIRECTORS' REPORT

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction

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



- 1.1.1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.1.2. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.1.3. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

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

3. Terms and Reference:

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

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

4. Policy:

4.1. Remuneration to Executive Directors and Key Managerial Personnel

4.1.1. The Board, on the recommendations of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2. The Board, on the recommendations of the NR Committees, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3. The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) 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 NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and objectives.

**4.2. Remuneration to Non-Executive Directors**

4.2.1. The Board, on the recommendations of the NR Committee, shall review and approve the remuneration payable to the Non-Executive of the Company within the overall limits approved by the shareholders.

4.2.2. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

4.3. Remuneration to other employees

4.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skills sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

ANNEXURE - 5 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016 [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	L36911TN2000PLC044514
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 - 625 001 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	Phys i-cal	Total	% of Total Shares	DEMAT	Phys i-cal	Total	% of Total Shares	% of Change
(A)	Shareholding of Promoter and Promoter Group ²									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	87,24,153	-	87,24,153	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	9,27,041	-	9,27,041	6.76	0.00
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any Others	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	96,51,161	-	96,51,161	70.35	96,51,194	-	96,51,194	70.35	0.00



2	Foreign									
(a)	NRI-Individuals	-	-	-	-	-	-	-	-	-
(b)	Other-Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/Fl	-	-	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
(A)	Total Shareholding of Promoter and Promoter Group (A)= A(1)+(A)(2)	96,51,161	-	96,51,161	70.35	96,51,194	-	96,51,194	70.35	0.00
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	10,28,775	-	10,28,775	7.50	10,46,825	-	10,46,825	7.63	+0.13
(b)	Banks/Fl	-	-	-	-	-	-	-	-	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIIS	-	-	-	-	-	-	-	-	-1.18
(h)	Foreign Venture Capital Funds/ other	-	-	-	-	-	-	-	-	-
(I)	Others (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	10,28,775	-	10,28,775	7.50	10,46,825	-	10,46,825	7.63	+0.13



B2 Non-Institutions										
(a)	Bodies Corporate									
	I) Indian	12,93,743	-	12,93,743	9.43	12,90,954	-	12,90,954	9.40	(0.03)
	ii) Overseas	-	-	-		-	-	-	-	-
(b)	Individuals									
I	Individuals - Individual shareholders holding nominal share capital up to Rs 1 lakh	5,18,632	7,000	5,25,632	3.83	6,36,351	7,000	6,43,351	4.69	+0.86
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	7,41,961	-	7,41,961	5.41	5,20,365	-	5,20,365	3.79	(1.62)
(c)	Others (specify)	-	-	-	-	-	-	-	-	-
i)	NRI	14,374	-	14,374	0.10	13,445	-	13,445	0.10	-
ii)	Clearing Members/ Clearing House	47,967	-	47,967	0.35	1,03,603	-	1,03,603	0.76	+0.41
iii)	HUF	4,15,969	-	4,15,969	3.03	4,49,845	-	4,49,845	3.28	+0.25
	Sub Total(B)(2)	30,32,646	7,000	30,39,646	22.16	30,14,563	7,000	30,21,563	22.02	(0.13)
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	40,61,421	7,000	40,68,421	29.65	40,61,388	7,000	40,68,388	29.65	-
	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) Share Holding 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	
Balarama Govinda Das	28,57,329	20.83	19.56	28,57,329	20.83	19.56	-
Ba. Ramesh	28,81,603	21.00	19.39	28,81,603	21.00	19.39	-
N.B. Kumar	28,41,451	20.71	19.66	28,41,451	20.71	19.66	-
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	-	-	200	-	-	-
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 & Diamond Private Ltd	7,01,671	5.11	-	7,01,671	5.11	-	-
Balusamy Silvears Jewellery Private Ltd	2,25,337	1.65	-	2,25,370	1.65	-	-
Total	96,51,161	70.35	-	96,51,194	70.35	-	-



iii) Change in Promoters Share Holding: (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	Balarama Govinda Das				
	At the beginning of the year	28,57,329	20.83	28,57,329	20.83
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	28,57,329	20.83	28,57,329	20.83
2	Ba. Ramesh				
	At the beginning of the year	28,81,603	21.00	28,81,603	21.00
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	28,81,603	21.00	28,81,603	21.00
3	N. B. Kumar				
	At the beginning of the year	28,41,451	20.71	28,41,451	20.71
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	28,41,451	20.71	28,41,451	20.71
4	B Annamayil				
	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	10	0.00	10	0.00
5	Yamuna Vasini Deva Dasi				
	At the beginning of the year	20,200	0.15	20,200	0.15
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	20,200	0.15	20,200	0.15



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
6	B Rajeshkanna				
	At the beginning of the year	21,480	0.16	21,480	0.16
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	21,480	0.16	21,480	0.16
7	Balasubbu Prasannan				
	At the beginning of the year	21,480	0.16	21,480	0.16
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	21,480	0.16	21,480	0.16
8	B R Sumati				
	At the beginning of the year	200	0.16	21,480	0.16
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	200	0.16	200	0.16
9	K Thamaraiselvi				
	At the beginning of the year	22,500	0.16	22,500	0.16
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	22,500	0.16	22,500	0.16
10	Narayanan Balasubbu Arun				
	At the beginning of the year	22,300	0.16	22,300	0.16
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	22,300	0.16	22,300	0.16



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
11	Balusamy Ramesh Darmini				
	At the beginning of the year	22,300	0.16	22,300	0.16
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	22,300	0.16	22,300	0.16
12	Gokul Ramesh				
	At the beginning of the year	13,300	0.10	13,300	0.10
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	13,300	0.10	13,300	0.10
13	Thangamayil Gold and Diamond Private Limited				
	At the beginning of the year	701,671	5.11	701,671	5.11
	Date wise Increase/ Decrease in Promoters Share holding during the year	- No Change -			
	At the End of the year	701,671	5.11	701,671	5.11
14	Balusamy Silvears Jewellery Private Limited				
	At the beginning of the year	225,337	1.65	225,337	1.65
	Date wise Increase/ Decrease in Promoters Share holding during the year	Equity share addition 33 Nos. Date of purchase – 26-05-2015.			
	At the End of the year	225,337	1.65	225,337	1.65

**(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
Emerald Jewel Industry India Limited	6,24,450	4.55	6,24,450	4.55
SBI Small and Midcap Fund	5,90,058	4.30	-	-
Panna Lal C Kothari HUF	3,91,000	2.85	4,26,548	3.11
SBI - Magnum balance fund	2,77,717	2.02	-	-
Aadi Financial Advisors LLP	1,73,001	1.26	1,53,260	1.12
SBI - FMCG Fund	1,61,000	1.17	-	-
Shardul Securities Limited	1,11,500	0.81	-	-
Aroni Chemicals Ltd	86,000	0.63	-	-
Marco Private Limited	76,000	0.56	-	-
Visaria Securities Private Limited	56,966	0.42	-	-
Sbi Magnum Balanced Fund	-	-	10,46,825	7.63

(v) Shareholding of Directors and Key Managerial Personnel

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
Balarama Govinda Das	28,57,329	20.83	28,57,329	20.83
Ba. Ramesh	28,81,603	21.00	28,81,603	21.00
N.B. Kumar	28,41,451	20.71	28,41,451	20.71
Yamuna Vasini Deva Dasi	20,200	0.15	20,200	0.15
Total	8,600,583	62.69	8,600,583	62.69



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
V. Vijayaraghavan, Company Secretary	160	0.0011	160	0.0011
B. Rajeshkanna Chief Financial Officer	21,480	0.16	21,480	0.16
Total	21,640	0.1611	21,640	0.1611

V. INDEBTEDNESS

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

₹ in lakhs				
Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,421.80	1,016.00	1,442.00	21,879.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	146.34	146.34
Total (i+ii+iii)	19,421.80	1,016.00	1,588.34	22,026.14
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	100.50	1,102.57	1,203.07
Reduction	4046.29	-	-	4,046.29
Net Change				-2,843.22
Indebtedness at the end of the Financial Year				
i) Principal Amount	15,375.51	1,116.50	2,419.73	18,911.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	271.18	271.18
Total (i+ii+iii)	15,375.51	1,116	2,690.91	19,182.92

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ in lakhs

Sl. No.	Particulars of Remuneration	Balarama Govinda Das (MD)	Ba. Ramesh (JMD)	N.B. Kumar (JMD)	Total
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	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	60.00	60.00	60.00	180.00

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

₹ in lakhs

Sl. no.	Particulars of Remuneration	Name of Director				Total
		Shri. V.R Muthu	Shri. Lalji Vora	Shri. S.Rethivavelu	Shri. T.R. Narayana swamy	
1	Fee for attending Board Committee Meetings.	0.25	0.30	0.20	0.05	0.80
2	Commission	-	-	-	-	-
3	Others, Please Specify	-	-	-	-	-
	Total (B) (1)	0.25	0.30	0.20	0.05	0.80

**2. Other Non-Executive Directors**

₹ in lakhs

Sl. no.	Particulars of Remuneration	Name of Director				Total
		Yamuna Vasini Deva Dasi				
1	Fee for attending Board Committee Meetings.	0.15	-	-	-	0.15
2	Commission	-	-	-	-	-
3	Others, Please Specify	-	-	-	-	-
	Total (B) (2)	0.15	-	-	-	0.15

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

₹ in lakhs

Sl. no.	Particulars of Remuneration	Company Secretary	CFO	Total
1	Gross salary	10.50	15.00	25.50
	(a) Salary as per provisions contained in section 17(1) of the Income - Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income - Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	10.50	15.00	25.50

**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**

For the Financial Year Ended March 31, 2016

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

To,
The Members,
THANGAMAYIL JEWELLERY LIMITED,
MADURAI

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent

of Foreign Direct Investment and Overseas Direct Investment;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;

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

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

6. Other Laws applicable to the Company;

1) Employees' Provident Fund Act, 1952 and misc provisions Act, 1952

2) Professional Tax Act, 1975 and Rules

3) Payment of Gratuity Act, 1972



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

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

I. The Secretarial Standards issued by the Institute of Company Secretaries of India.

II. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange Limited including the New Listing Agreement under SEBI (LODR) Regulations, 2015.

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

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

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

provisions of the Act.

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

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

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

S.MUTHURAJU

(Practicing Company Secretary)

Proprietor
ACS: 8825
CP: 4181

Place: MADURAI
Date: 25th May 2016

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



**ANNEXURE A"**

To,
The Member,
THANGAMAYIL JEWELLERY LIMITED,
MADURAI

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

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

S.MUTHURAJU

(Practicing Company Secretary)

Proprietor
ACS : 8825
CP : 4181

Place: MADURAI
Date: 25th May 2016



MANAGEMENT DISCUSSION AND ANALYSIS

Gold – What's meaning to Indians

In India, gold jewellery is a store of value, a symbol of wealth and status and a fundamental part of many rituals. In the country's rural population, a deep affinity for gold goes hand in hand with practical considerations of the portability and security of jewellery as an investment. This, in part, explains how India's appetite for gold defies market conditions: despite a 400 percent rise in the rupee gold price over the last decade, gold demand from Indian consumers continues to grow.

Gold is considered to be auspicious, particularly in Hindu and Jain cultures. The ancient law-giver Manu decreed that gold ornaments should be worn for important ceremonies and occasions. Across the country, regional festivals are celebrated with gold: in the south, Akshaya Tritiya, Pongal, Onam and Ugadi; in the east, Durga Puja; in the west, Gudi Pavda; in the north, Baisakhi and Karva Chauth.

Gold is central to more personal life events too. Gifting gold is a deeply ingrained part of marriage rituals in Indian society—weddings generate approximately 50 percent of annual gold demand. Families begin saving soon after the birth of a girl, and the 'Stridhan', or gift of gold to the bride, gives her financial security once she is married. Over the next decade, there are likely to be 15 million weddings per year in India, where more than half of the population is under 25.

India's demographics are driving constant growth in demand, with over 140 million people coming out of poverty in the last 10 years in India, but the evolving structure of society is changing tastes too. Since the early 1990s, urban Indian women have been adopting contemporary designs for everyday use and wear. Younger, more affluent Indian consumers want pieces that are modern, yet reflect their heritage and culture; jewellery that expresses their new identity.

Significance to Indian Economy

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

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 percent 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 in 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. The Indian government presently allows 100 percent Foreign Direct Investment (FDI) in the sector through the automatic route.





Gold continue to shine in 2016

Gold demand fell 2 percent last year, but is set to recover in 2016 as U.S. rate hikes arrive more slowly than expected, while concerns over economic growth and yuan weakness stimulate Chinese buying.

In 2016, gold prices, currently near \$1,300 an ounce, and likely to sustain around this level due to reason stated earlier by year end. Gold demand is expected to grow by 5 percent this year.

"Slowing Chinese growth and the negative outlook for the yuan should benefit gold in the medium term, and once there are clear signs of a price recovery, or at least a stabilization, we should see investors coming back into the market,"

Gold tends to benefit from low interest rates, which cut the opportunity cost of holding non-yielding assets such as bullion, and weigh on the dollar, in which it is priced.

Expectations for a Federal Reserve rate hike were a factor driving prices down 10 percent in 2015. Fundamental factors also led to the decline.

Jewellery fabrication, the largest single section of demand, fell 3 percent year-on-year, and it is said in the latest update to its Gold Survey 2015 on Tuesday, while retail investment eased 2 percent and industrial fabrication fell by 4 percent.

Meanwhile, output from mines and recycling edged higher, though supply from hedging activity eased into negative territory.

However, there are reasons for being optimistic for the future, it added. Mine supply is set to keep falling after posting its largest quarterly decline since 2008 in the last quarter, while lower prices are expected to stimulate retail demand, and central bank buying will remain supportive.

Quarterly figures suggest demand rose toward the end of last year. Demand in China jumped by nearly a quarter in the last three months of 2015, reaching its highest since 2013 on concerns over slowing economic growth and lower prices.

Overall jewellery buying fell 2 percent in the fourth quarter, however, though an increase in official-sector buying and a rise in retail investment led overall demand to rise 2 percent.

Market size

The gems and jewellery market in India is home to more than 500,000 players, with the majority being small players. India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country.

UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery.

The overall gross exports of Gems & Jewellery in December 2015 stood at US\$ 2.06 billion, whereas exports of cut and polished diamonds stood at US\$ 1.20 billion. Exports of gold coins and medallions stood at US\$ 23.19 million and silver jewellery export stood at US\$ 147.33 million in December 2015. The overall gross imports of Gems & Jewellery in December 2015 stood at US\$ 2.23 billion. According to a report by Research and Markets, the jewellery market in India is expected to grow at a Compound Annual Growth Rate (CAGR) of 15.95 percent over the period 2014-2019.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000-December 2015 were US\$ 751.37 million, according to Department of Industrial Policy and Promotion (DIPP). During April-December 2015, India imported US\$ 17.33 billion worth of raw material for gems and jewellery. With an 8 per cent share in polished diamonds, India has become the world's third largest diamond consumer.

The domestic gems and jewellery industry had a market size of Rs 251,000 crore (US\$ 40.45 billion) in 2013, and has the potential to grow to Rs 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 percent 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. 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.

Government Initiatives

The Union Budget 2016 has levied 1% Excise duty on Jewellery industry over and above 10% customs duty already levied from 2013 onwards. Hall marking of gold and silver Jewellery has become mandatory as the legislation was approved by both houses of parliaments. Notification is expected any time soon on the governing principles of quality maintenance. Besides this, there is compulsory reporting on of jewellery purchased for the value of ₹2 Lakhs and above from the retail shop by customers by collecting their PAN CARDS for Income tax Verification.

Most these regulations initially not accepted by the trade but sooner than later the trade has to fall in the line with the regulations. Post adaption of these regulations the traders will have to either slowly withdrawn the business or align themselves with the regulatory framework.

This augers well for the organized players in the long run and also bring the benefits of polarisation. Eventually this will also help to align the trade with GST era.

Road Ahead

A steep rise in gold price movement in the last quarter of 2016, from 1050 US\$ to 1280 US\$ may contribute for the future demand for gold ornaments in India at the psychology of the people is to bet on rising price of any commodity.

Post consolidation from the current price, a price break out on the upper side is possible. Till such time it retraces atleast 50% of earlier fall i.e., 1450 US\$. In Indian context, gold is bought to act a hedge against inflation and also for appreciation particularly by the rural masses. Therefore, apart from other factors, there is every possibility of improvement in demand lead by gold price improvement over a period time.

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 mighty 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 one outlets to BEP level performances.

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, Tamilnadu 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

In the last two years we witnessed a pattern in the demand side of the gold and silver ornaments. It has got to do more with price behaviour of gold and silver. Exceptional demand emerges whenever the gold price drastically come down even though on those days there would be no seasonality factors prevailing in the market.



Similarly, as and when the price of gold advances steeply even on good auspicious days people try to postpone the purchases awaiting for a corrections with a price. This phenomenon is a recent and perhaps may continue as long as gold price widely fluctuate in the international market.

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, Chittrai 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

It has been decided to store in the retail outlets only of articles and ornaments that sold faster. Most of the items currently preferred by the customers are low end low cost and weight less items only. Fast moving items whichever categories they belong to a first choice for replenishment get buying. It regards the holding of excessive stock in the outlets. Thereby, stock turnover

ratios moves up significantly. Fortunately, these small items could be produced locally in our own manufacturing units. In a shrinking market due to increase in competition, the only viable alternative is to hold less stock and try to rotate as many as possible.

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

Description	Year Ended 31 st March			
	2013	2014	2015	2016
Stock Rotation	3.5	4.3	5.0	5.1
Active Working Capital Funds deployed (₹ in crs.)	508	374	305	300
Funds Borrowed for Working Capital from banks (Outstanding) (₹ in crs.)	318	209	133	113
% of bank borrowings to Current Assets	63%	56%	43%	38%
Cost of Funds	10.06%	11.50%	14.00%	11.82%
Quantity of Gold Sold (kgs)	4724	3776	4877	4517
Cost of Interest Per gram of Gold sales In ₹	78	92	60	52

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.

**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.

Future Outlook

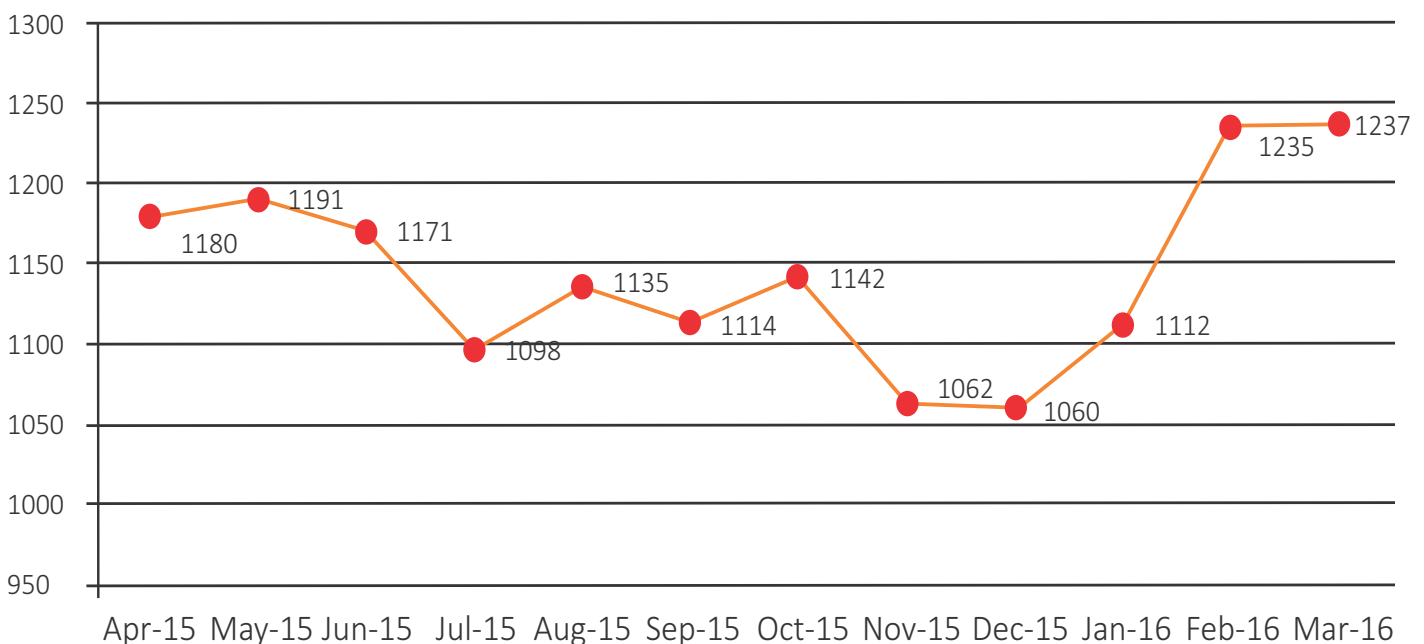
Traditionally, the Indian gems & Jewellery industry was highly fragmented with consumers typically buying from their family jewellers. However, in the last decade the industry has undergone a structural change and more jewellery players are moving up the value chain towards an increasing focus on branded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

The market is hugely under penetrated 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 centers 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 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:**Gold in US \$**

**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.

Future Outlook

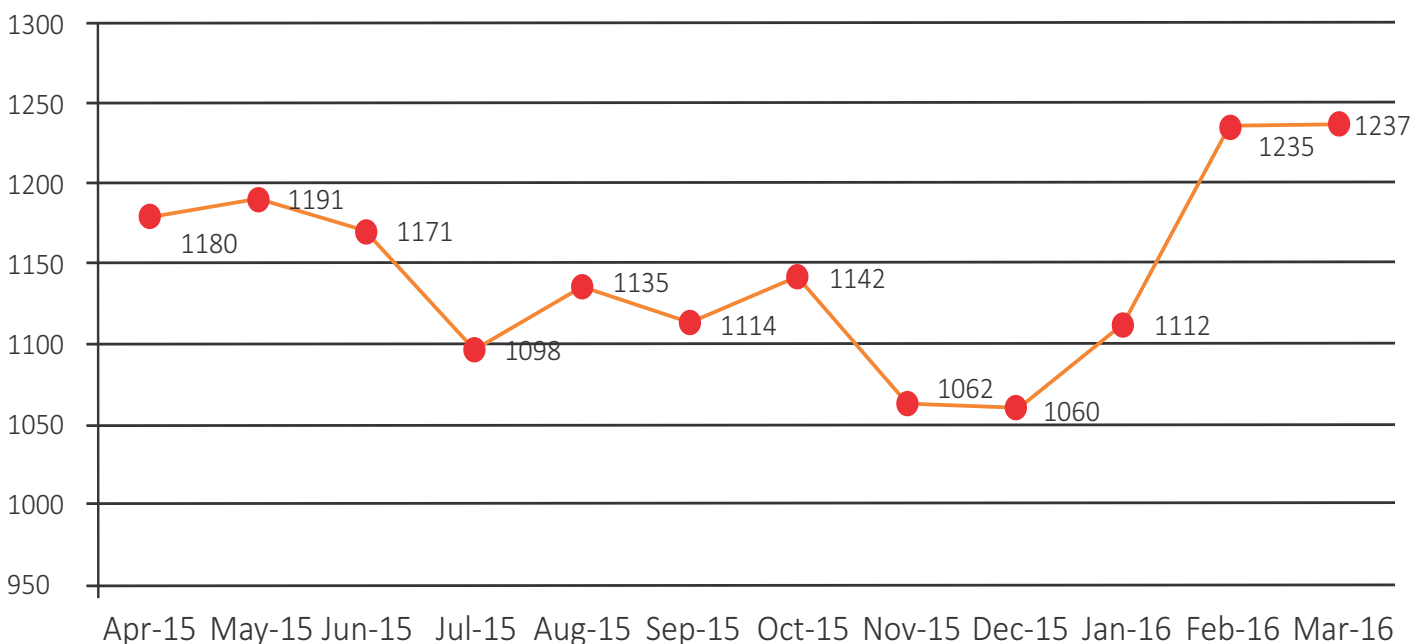
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GOLD PRICE FLUCTUATIONS:**Gold in US \$**

**Gold Price Fluctuations:**

Gold price steeply fall from 1927 US \$ from 2013 to 1050 US \$ 2016 registering a fall of 45%. Currently it has retraced up to US\$ 1250 per ounce. All other assets classes have lost their relevance in a recessionary business environment. US \$ is gaining against our currencies but the momentum is losing grounds of late. Gold is considered at a 'safe heaven asset' in the entire world. In an uncertain era of trade and commerce gold will always appreciate in value.

Therefore in spite of frequent fluctuations in the gold price movement, it would be safer and proper to assume that the gold price waved head northwardly only.

In order to minimize the impact of fluctuations in the price corporates are left with metal loan and MCX platform for effective hedging for their stock TMJL is also following a set of accepted hedging mechanism. However, the tendency of the customers to buy denying steep gold price falling environment and abstaining fully in a escalating gold price conditions create a greater challenge to the trade.

There is no uniform sales pattern emerging due to wide fluctuations 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.

(f) Govt regulations acting as a constraint for the trade

(g) High level of un heading competition with in the organized sector participants.

(h) Customer preference for other consumer durables in large value goes against the gold trade.

(i) "Rigid leverage system" adopted by lenders.

(j) Dwindling margin in the trade due to attainment of perfect market conditions.

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 compliance, 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.
- (c) Operational risk: Those associated with the company's operational and administrative procedures which inter alia include accounting controls, regulations, recruitment, IT systems, board composition, contractual risks and exposures, organizational risks and exposures.



(d) Financial risk: Those associated with financial structure of the company, its transactions and the financial system in place.

(e) Environmental risk: Those associated with release of polluting materials, environmental performance/ compliance limits, business opportunities and breach of regulations.

Internal Control Systems And Their Adequacy

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.

The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

- * Documenting Major Business Process including financial reporting, Computer Controlling, Security Checks and Top Committee level Plans
- * A comprehensive information security policy and continuous upgrades to IT system
- * Audit Committee of the Board of Directors, comprising independent directors, which is functional since October 2007, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, as well as, reasons for changes in accounting policies and practices, if any.
- * A well established multi-disciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks
- * Monthly meeting of the top management

committee to review operations and plans in key business areas

- * Corporate policies on accounting and major processes.
- * Well-defined processes for formulating and reviewing annual and long term business plans.
- * Preparation and monitoring of annual budgets for all trading activities.
- * Having introduced and continually upgraded, improved and fine tuned state of the art Enterprise Resource Planning (ERP) since August 2008, supplier Relations Management and Customer Relations Management, to connect its different locations, dealers and vendors.

Anti-fraud Programme.

The Board takes responsibility for the total process of risk management in the organization. The Audit Committee reviews reports covering operational, financial and other business risk areas. Taking into Consideration the high risk associated with this business, the organization and management have taken necessary measures towards achieving an environment free of fraud.

This is also facilitated by internal audit. The business risks are managed through cross functional involvement and intense communication across businesses. Results of the risk assessment and residual risks are presented to the senior management.

Information Technology

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

Thangamayil has developed an information technology team to test and maintain our own solutions across the showrooms.

As a base platform for our ERP we used SAP Business One solution across the showrooms. End to end application to meet the requirements of Jewellery retail



business needs, right from purchase of ornament to sale of it, customer management and inventory handling.

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

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility.

The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels.

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

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

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





SWOT ANALYSIS

Strengths

- * Less leveraged company and in a position to explore opportunities thrown open by the market.
- * 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
- * Highly regulated trade and having reached a perfect market condition. The profit margin comes down relatively.

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.
- * Significant growth is possible in "E " Commerce oriented trade.

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 difficult time till settlement for latest policy changes.
- * Highly fluctuating gold price movement acts as a damper.



FINANCIAL OPERATIONS

1. Results Of Operations

Net Revenue from Operations:

(₹ in lakhs)

Particulars	FY 2015 - 16	FY 2014 - 15	Change	% of Change
Sale of Products	1,27,199	1,42,126	(14,927)	(10.50)

Sales for the financial year 15-16 have decreased by 10.50% when compared to the previous year.

2. Other Income

(₹ in lakhs)

Particulars	FY 2015 - 16	FY 2014 - 15	Change	% of Change
Other Operating Income	276	157	119	75.63

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

3. Gross Profit

(₹ in lakhs)

Particulars	FY 2015 - 16	FY 2014 - 15	Change	% of Change
Revenue from Operations	1,27,199	1,42,126	(14,927)	(10.50)
Less: Cost of Consumption	1,18,147	1,36,956	18,809	13.73
Gross Profit	9,052	5,170	3,882	75.08

Better realization of inventory in the last quarter of the year due to steep increase in gold price by 12% in the last quarter in spite of lesser sales and better hedging of gold inventory.

4. Profit / (Loss) Before Taxation

(₹ in lakhs)

Particulars	FY 2015 - 16	FY 2014 - 15	Change	% of Change
Profit Before Taxation	1,420	(3,298)	4,718	143

During the year, the company achieved profit before tax is ₹1,420 lakhs as against net loss of ₹ 3,298 lakhs.

5. Profit / (Loss) After Taxation

(₹ in lakhs)

Particulars	FY 2015 - 16	FY 2014 - 15	Change	% of Change
Profit After Taxation	1,053	(2,228)	3,281	147.50

For the year company achieved net profit after tax of ₹1,053 lakhs. This performance is on account of improvement in all-round efficiencies, various cost-cutting measures, as well as gold prices movements.



Financial Condition

Overview

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

1) Share Capital

The issued, subscribed and paid up capital as at March 31, 2016 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 ₹ 12,382 lakhs as against ₹ 11,494 lakhs in the previous year.

3) Fixed Assets

Gross block of Fixed Assets is ₹ 11,087.89 lakhs which comprises of Plant & Machinery, Furniture & Fixtures, Vehicle and Buildings of ₹ 8,901.63 lakhs & Computer Equipment's of ₹ 2,186.26 lakhs.

4) Inventories

Inventories amounted to ₹ 28,092 lakhs as at 31st March 2016 as against ₹ 28,869 lakhs as at the previous year end. The decrease is on account of reduction in gold ornaments quantity.

5) Trade Receivables

Trade Receivables amounted to ₹ 26.90 lakhs as at 31st March 2016 as against ₹ 30.35 lakhs as at 31st March 2015.

6) Cash and Cash equivalents

Cash and bank balances with banks amounts to ₹ 940 lakhs as against ₹ 573 lakhs in the previous year. The increase is on account of margin money kept for gold metal loan facilities.

7) Short Term Loans and Advances and Other Current Assets

Short term Loans and advances amounted to ₹ 941 lakhs as against ₹ 1,029 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 ₹ 20,483 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 ₹ 165 lakhs including provision for dividend, and dividend distribution tax thereon.

9) Working Capital

The Company has a Working Capital (including cash and bank balances) of ₹ 9,351 lakhs as at 31st March 2016 as against ₹ 6,977 lakhs as at 31st March 2015. The increase in working capital is due to internal accruals and increased long term sources.

10) Debt Equity Ratio

Your Company has got Average Net Debt Equity ratio of 1.08 as at 31.3.2016 as against 1.05 as at 31.03.2015.





Report On Corporate Governance

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

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

Mandatory Requirement Company's Philosophy On Corporate Governance

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

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

✱ Strive towards enhancement of Shareholder value through;

- i) Sound business decisions
- ii) Prudent financial management and
- iii) High standards of ethics throughout the organization.

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

✱ Achieve excellence in Corporate Governance by

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

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

Thus, in TMJL we are committed to conduct our business in a manner which will ensure long-Term growth thereby maximizing value to shareholders, Customers, Employees and Society at large. The company recognizes that good corporate governance is essential to build and retain the confidence of its

shareholders. Therefore, the company ensures that various disclosure requirement are complied with for effective corporate governance.

To this end, the company's philosophy on corporate governance is to endeavor to ensure:

(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.

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

CORPORATE CODE OF CONDUCT

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

(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 & 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, 2016, the Company's Board consists of 8 directors and is headed by its Chairman and Managing Director, Mr. Balarama Govinda Das, out of which, four are Non-executive Independent Directors. None of the Directors on the Company's Board is a Director in more than 15

Companies, neither a Chairman of more than five Committees nor a member of more than 10 Committees. All the Directors have made necessary disclosures regarding their Directorship and Chairmanship/Committee Membership in other Companies.

The appointment of the Chairman and Managing Director and Joint Managing Director including the tenure and terms of remuneration, are approved by the members at their general meetings. Eight Board meetings were held during 2015-16 and the gap between two meetings did not exceed four months. The dates, on which the Board meetings were held, are as follows: 17th April 2015, 25th May 2015, 11th June 2015, 25th June 2015, 9th July 2015, 19th October 2015, 25th January 2016 and 7th March 2016. 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 29th July 2015.

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 TMJL in which member
		Held during the year	Attended during the year			
Sri. Balarama Govinda Das (Chairman, Managing Director)	Executive	8	8	Yes	-	-
Sri. Ba.Ramesh (Joint Managing Director)	Executive	8	8	Yes	-	-
Sri. N. B. Kumar (Joint Managing Director)	Executive	8	8	Yes	-	-
Sri. S. Rethinavelu	Non-executive	8	4	Yes	-	-
Sri. Lalji Vora	Non-executive	8	6	Yes	-	-
Sri. V.R. Muthu	Non-executive	8	5	Yes	1	-
Sri. T.R. Narayanaswamy	Non-executive	8	1	No	1	1
Smt. Yamuna Vasini Deva Dasi	Non-executive	8	3	Yes	-	-

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

**Adoption of Code of Conduct**

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

Access to information and Updation to directors:

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

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

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

Appointment / Re-appointment of directors:

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

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 25 May 2015, 9 July 2015, 19 October 2015, 25th January 2016.

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
Sri. S. Rethinavelu	Chairman	4	3
Sri. Ba.Ramesh	Member	4	4
Sri. V.R.Muthu	Member	4	4

The Company Secretary acts as the Secretary to the Committee.

The role of the Committees 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 and 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 auditor, and 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:

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

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



The terms of reference of the Remuneration Committee are:

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

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 2015-2016, is given below:-

Name	Designation	Remuneration – Salary up to a Maximum (₹ in lakhs)
Sri. Balarama Govinda Das	Managing Director	60
Sri. Ba.Ramesh	Joint Managing Director	60
Sri. 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 2015-16.

Name of the Directors	Sitting Fees (in ₹)	No of Equity Shares Held
Sri. S. Rethinavelu	20,000	-
Sri. Lalji Vora	30,000	-
Sri. V.R. Muthu	25,000	-
Sri. T.R. Narayana swamy	5,000	-
Total	80,000	-

Stake Holders Grievance And Relationship Committee

The primary role of the investor grievance committee is to specifically look into the redressal of Investors' Grievances pertaining to:

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

The committee has the following members:

Name of the person	Designation
Sri. Lalji Vora	Chairman
Sri. Balarama Govinda Das	Member
Sri. Ba. Ramesh	Member
Sri N.B.Kumar	Member
Sri. V.Vijayaraghavan	Compliance Officer

All the investors' complaints were resolved as on 31st March 2016 & 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, 2016 and the details of Members' participation at the Meetings of the Committee are as under:

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

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

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on January 25, 2016, inter alia, to discuss:

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

**Capex Committee**

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

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing obligations and disclosure requirements) Regulation, 2015 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and (do not attract the provisions of Section 188 of the Companies Act, 2013). To the extent the provisions of section 188 is applicable, we have obtained necessary approvals from the 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 the year, the Company did not raise capital through public, rights and/or preferential issue.

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

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

Management

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

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

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

Code of Conduct

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company.

The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website www.thangamayil.com.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

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

**Postal ballots**

For the year ended March 31, 2016, 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. 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, 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 Listing Agreement, has designated the following e-mail ID, namely companysecretary@thangamayil.com for the purpose of registering complaints, if any, by the shareholders and expeditious redressal of their grievances.

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

Dematerialisation of shares and liquidity:

TMJL shares are tradable compulsorily in electronic form and, through M/s. SKDC Consultants Limited, Registrars and Share Transfer Agents; we have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at March 31, 2016, 99.95% of our shares were held in dematerialized form and the rest in physical form.

Category	Number of Shares	% of Total Equity
NSDL	1,24,22,561	90.55 %
CDSL	12,90,021	9.40%
Physical Mode	7,000	0.05%
Total	1,37,19,582	100%



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, 2016 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

S.K.D.C. Consultants Limited

Payment of dividend on shares and any other relating to the shares of the Company.

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

(iii) For investors grievance & general correspondence

companysecretary@thangamayil.com





Madurai (Showroom , Registered Office and Manufacturing) ,
Coimbatore (Manufacturing) and **Salem** (Silver Manufacturing unit)

Branches

- | | | |
|----------------|------------------------|----------------|
| * Rajapalayam | * Kovilpatti | * Tenkasi |
| * Ramnad | * Tiruppur | * Coimbatore |
| * Theni | * Gobichettipalayam | * Dharapuram |
| * Tuticorin | * Sankarankovil | * Krishnagiri |
| * Cumbum | * Villupuram | * Dharmapuri |
| * Salem | * Karaikudi | * Tirunelveli |
| * Palani | * Dindigul | * Udumalpet |
| * Valliyoor | * Sivakasi | * Sivagangai |
| * Namakkal | * Annanagar (Madurai) | * Eral |
| * Ottanchatram | * Aruppukottai | * Virudhunagar |



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. Consultants at Coimbatore, by sending a letter, duly signed by the first / sole holder quoting details of Folio No.

Consolidation of Multiple Folios:

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

Registration of Nominations:

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

It would, therefore, be in the best interests of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in form 2B.

This form will be made available on request. Shareholders holding shares in demat form are advised to contact their DP's for making nominations.

Updating of Address:

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



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

SMS Alerts:

Investors are requested to note that National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby Shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction.

These alerts will be sent to those account holders who have provided their mobile numbers to their Depository Participants (DPs). No charge will be levied by NSDL / CDSL on DPs providing this facility to investors.

This facility will be available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsdl.co.in and www.cdslindia.com, respectively.

Timely Encashment of dividends:

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

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

Annual General Meeting		
Date	Time	Venue
27th July 2016	11.45 am	Tamilnadu Chamber Of Commerce & Industry 178B, Kamarajar Salai, Madurai – 625 009

Financial Year:

1st April 2016 to 31st March 2017

Financial calendar (Tentative and subject to change):

Financial reporting for the Quarter Ending	
30th June 2016	Before 9th August 2016
30th September 2016	Before 9th November 2016
31st December 2016	Before 12th February 2017
31st March 2017	between 9th May and 27th May 2017

Date of Book Closure

21st July 2016 to 27th July 2016 (both days inclusive)

**Particulars of dividend payment:**

Dividend of ₹1/- per share for the year ended 31st March 15 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
National Stock Exchange of India Limited

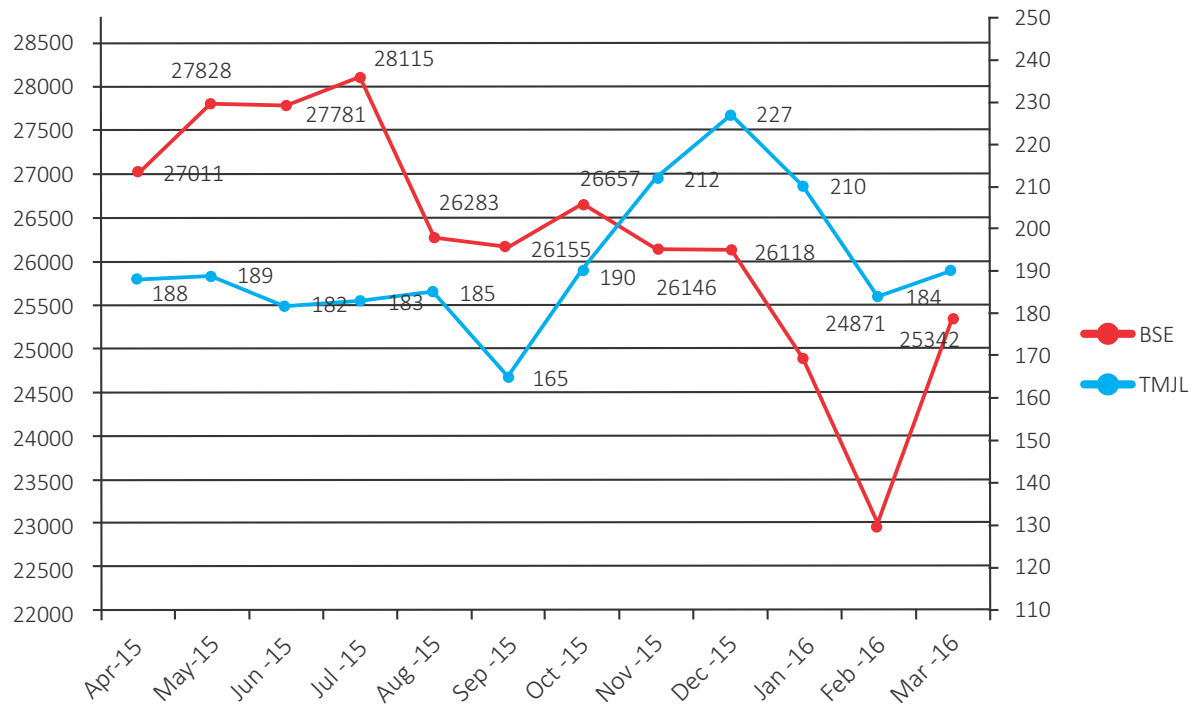
Code No. 533158
Code No. THANGAMAYL

Stock Market Data- High and Low Quotations of equity shares for 2015-2016

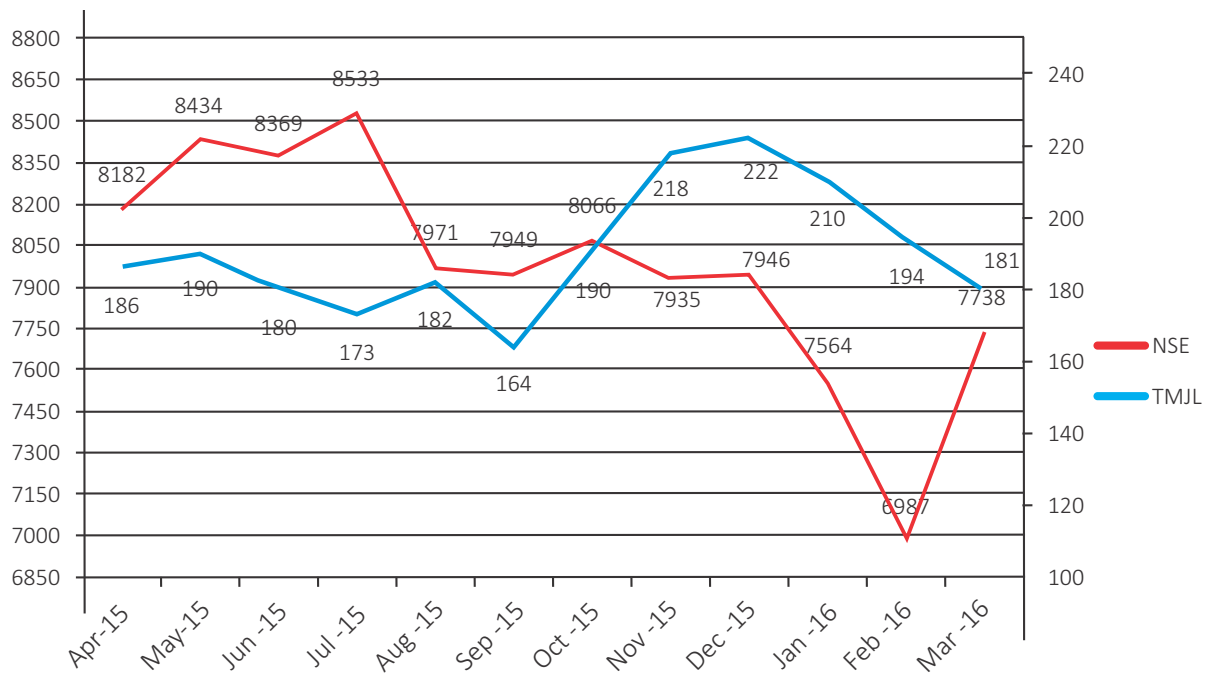
Month	Bombay Stock Exchange Limited		National Stock Exchange of India Limited	
	High (₹)	Low(₹)	High (₹)	Low(₹)
Apr-15	208.90	185.00	207.00	182.15
May-15	210.00	178.20	209.00	174.00
Jun-15	200.00	172.30	198.95	171.00
Jul-15	219.30	165.20	219.70	168.00
Aug-15	209.50	155.00	189.50	160.00
Sep-15	185.00	163.00	182.80	160.50
Oct-15	206.00	160.10	206.00	160.10
Nov-15	221.00	190.00	225.00	190.00
Dec-15	236.00	205.40	238.00	202.95
Jan-16	236.00	190.00	227.95	190.00
Feb-16	214.00	180.20	215.00	180.05
Mar-16	206.00	180.20	205.00	180.00



TMJL VS BSE SHARE PRICE



TMJL VS NSE SHARE PRICE



**Distribution of Share Holding as on 31st March, 2016**

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	1,878	1,31,130	0.96%
2	5,001 to 10,000	80	62,982	0.46%
3	10,001 to 20,000	73	1,06,491	0.78%
4	20,001 to 30,000	16	41,392	0.30%
5	30,001 to 40,000	13	46,514	0.34%
6	40,001 to 50,000	7	33,953	0.25%
7	50,001 to 100,000	22	1,66,850	1.22%
8	100,001 and above	52	1,31,30,270	95.70%
Total		2,141	1,37,19,582	100.00%





Pattern of Shareholding as on 31st March 2016

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
(A)	Shareholding of Promoter and Promoter Group						
(1)	Indian Promoters	14	96,51,194	96,51,194	70.35%	16,76,220	17.37%
(2)	Foreign Promoters	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	14	96,51,194	96,51,194	70.35%	16,76,220	17.37%
(B)	Public shareholding Institutions						
(1)							
(a)	Indian Institutions	4	10,46,825	10,46,825	7.63%	Nil	Nil
(b)	Foreign Institutions	-	-	-	-	-	-
	Sub-Total (B)(1)	4	10,46,825	10,46,825	7.63%	Nil	Nil
(2)	Non-institutions						
(a)	Bodies Corporate	68	12,90,954	12,90,954	9.41%	N.A	N.A
(b)	Individual Share Holders	1960	11,63,716	11,56,716	8.48%	N.A	N.A
(c)	Individual NRI / Foreign Nationals	95	5,66,893	5,66,893	4.13%	N.A	N.A
(c)	Sub-Total (B)(2)	2,123	30,21,563	30,14,563	22.02%	N.A	N.A
	Total Public Share holding (B)= (B)(1)+(B)(2)	2,127	40,68,388	40,61,388	29.65%	N.A	N.A
	TOTAL (A)+(B)	2,141	1,37,19,582	1,37,12,582	100%	N.A	N.A
(C)	Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil	Nil	Nil
	GRAND TOTAL (A)+(B)+(C)	2,141	1,37,19,582	1,37,12,582	100%	16,76,220	12.22%

**GENERAL BODY MEETINGS**

Locations and time of General meetings

Date	Year	AGM	Time	Venue
22/07/2013	2012-13	13 th	11.45 AM	Tamilnadu Chamber Of Commerce & Industry, 178B, Kamarajar Salai, Madurai – 625 009
30/07/2014	2013-14	14 th	11.45 AM	Tamilnadu Chamber Of Commerce & Industry, 178B, Kamarajar Salai, Madurai – 625 009
29/07/2015	2014-15	15 ^h	11.45 AM	Tamilnadu Chamber Of Commerce & Industry, 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
29/07/2015	To give consent for the borrowing powers of the Board up to Rs.750 Crores u/s .180 (1) (c) of the Act.

Top Ten Ordinary Shareholders of the Company as on 31st March, 2016

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 Magnum Balanced Fund	10,46,825	7.63%
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	4,26,548	3.11%
8	Balusamy Silvears Jewellery Private Limited	2,25,370	1.64%
9	Aadi Financial Advisors LLP	1,53,260	1.12%
10	Mahima Stocks Private Limited	1,05,000	0.77%

**Compliance With Non-mandatory Disclosures**

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

The Board:

As the Company has the Executive Chairman, the implementation of this non-mandatory requirement does not arise. The tenure has been fixed for five years for Independent Directors under the Companies Act, 2013.

Remuneration Committee:

Details are given under the heading 'Remuneration Committee'.

Shareholder rights:

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

Audit qualifications:

The Company endeavors to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2016.

Training of Board Members

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

Whistle Blower Policy

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

A copy of **Whistle Blower Policy** has been placed at our website at www.thangamayil.com for reference.

Corporate Social Responsibility Policy

The Company has adopted Corporate Social Responsibility Policy (CSR) to lay down guidelines for Corporate Social Responsibility activities of the Company.

The policy is to align its philosophy to initiate measures and peruse socially useful programs with the objectives and activities of CSR envisaged and incorporated in the companies act, 2013 and the rules made there under. A copy of **CSR Policy** has been placed at our website at www.thangamayil.com for reference.

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

The Company recognizes that related party transactions can present potential or actual conflict of interest and may raise questions about whether such transactions are in the best interest of the company and the stake holders.

The Company must specifically ensure that certain related party transactions are managed and disclosed in accordance with strict legal and accounting requirements to which the company is subject to. Therefore this policy regarding the review and approval of related party transactions has been adopted duly approved by the company's board of directors in order to set forth the procedures under which transactions must be reviewed and approved or ratify.

A copy of policy on materiality of Related Party Transactions has been placed at our website at www.thangamayil.com for reference.



Declaration Pursuant Regulation 27 of SEBI (LODR) Listing Agreement Regarding Adherence To The Code Of Business Conduct And Ethics.

We have examined the compliance of condition of Corporate Governance of M/s. Thangamayil Jewellery Limited for the year ended 31st March, 2016 as stipulated in Regulation 27 of SEBI (LODR) of the Listing Agreement of the said company with Stock Exchanges. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the officials of the company we hereby in compliance of conditions of Corporate Governance applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations')

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 statements material fact or contain 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

Joint Managing Director

N.B. KUMAR

Joint Managing Director

Annual Declaration Of Code Of Conduct By Managing Director

This is to confirm that the Board has laid down a code of conduct for all the Board members and senior management of the company. It is further confirmed that all directors and senior management of the company have affirmed compliance with the code of conduct of the company for the year ended 31st March 2016 as envisaged in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

For Thangamayil Jewellery Limited

BALARAMA GOVINDA DAS

Managing Director

Place – Madurai

Date – May 25, 2016



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

To
The Members of Thangamayil Jewellery Limited,
Madurai

We have examined the compliance of conditions of Corporate Governance by Thangamayil Jewellery Limited, Madurai – 625 001 for the year ended 31st March 2016, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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

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

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

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

For B.Thiagarajan & Co.,
Chartered Accountants,
F. Reg No: 0043715

Place – Madurai
Date – May 25, 2016

D.ARUCHAMY
Partner

M.No: 219156



Independent Auditor's Report

To
The Members of Thangamayil Jewellery Limited,
Madurai

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, 2016, 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 judgements 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 there under.

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 but not for purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's 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.



Name of the Statute	Nature of Dues	₹ lakhs	Period to which the amount relates	Forum where disputes is pending
Tamilnadu Value Added Tax 2006	Disallowance of Input tax, disputes related classification of sale of Goods	49.96	2006-07 to 2009-10	High Court of Madras and Commissioner (Appeals) of Sales Tax
Customs Act, 1962	Customs Duty	154.00	2011-12	High Court of Madras

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

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

xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

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

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

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

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

D.ARUCHAMY
Partner
M.No: 219156

Place – Madurai
Date – May 25, 2016



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Thangamayil Jewellery. Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

D.ARUCHAMY
Partner

M.No: 219156

Place – Madurai
Date – May 25, 2016



BALANCE SHEET AS AT MARCH 31, 2016

₹ in Lakhs

PARTICULARS	Note	As at March 31,	
		2016	2015
EQUITY AND LIABILITIES			
Shareholders Funds:			
(a) Share Capital	1	1,371.96	1,371.96
(b) Reserves and Surplus	2	12,382.33	11,494.31
Sub-total -Shareholders' funds		13,754.29	12,866.27
Non-Current Liabilities			
Long-Term Borrowings	3	5,753.88	5,028.93
Sub-total -Non -Current Liabilities		5,753.88	5,028.93
Current Liabilities			
(a) Short-Term Borrowings	4	6,999.30	11,980.17
(b) Trade Payables	5	4,486.18	3,420.66
(c) Other Current Liabilities	6	8,997.71	7,959.10
(d) Short-Term Provisions	7	165.13	165.29
Sub-total -Current Liabilities		20,648.32	23,525.22
TOTAL EQUITY AND LIABILITIES		40,156.49	41,420.42
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	7,237.46	6,826.14
(ii) Intangible Assets		524.32	612.09
(iii) Capital Work in Progress		121.76	769.42
(b) Deferred Tax Assets	9	1,295.12	1,661.55
(c) Long-Term Loans and Advances	10	978.06	1,049.50
Sub-total - Non - Current Assets		10,156.72	10,918.71
Current Assets			
(a) Inventories	11	28,092.31	28,868.59
(b) Trade Receivables	12	26.90	30.36
(c) Cash and Cash Equivalents	13	939.52	573.81
(d) Short-Term Loans and Advances	14	19.70	10.98
(e) Other Current Assets	15	921.34	1,017.97
Sub-total -Current Assets		29,999.77	30,501.71
TOTAL - ASSETS		40,156.49	41,420.42
Significant Accounting Policies	1 to 46		
The accompanying notes are integral part of the financial statements			

As per our attached report of even date

For B. Thiagarajan & Co., For Thangamayil Jewellery Limited

Chartered Accountants
Firm's Registration Number:0043715

D.Aruchamy
Partner
M.No.219156
Date - May 25, 2016
Place - Madurai

Balarama Govinda Das
Ba. Ramesh
N.B. Kumar
Lalji Vora
V. R. Muthu

Managing Director 00266424
Jt. Managing Director 00266368
Jt. Managing Director 01511576
Independent Director 01899070
Independent Director 01908841

S. Rethinavelu
Yamuna Vasini Deva Dasi
V. Vijayaraghavan
B. Rajeshkanna

Independent Director 00935338
Director 01388187
Company Secretary
Chief Financial Officer


Statement of Profit & Loss Account for the Year Ended March 31, 2016

₹ in Lakhs

PARTICULARS	Note	As at March 31,	
		2016	2015
I. INCOME			
Revenue from Operations	16	127,199.15	142,126.28
Other Income	17	275.86	157.07
Total Revenue		127,475.01	142,283.35
II. EXPENSES			
Cost of raw materials consumed	18	107,107.05	118,080.17
Purchases of stock -in- Trade	19	9,227.59	14,794.51
Changes in Inventories of finished goods, work in progress & stock in trade	20	1,219.09	3,159.39
Manufacturing expenses	21	593.86	922.11
Employee benefit expenses	22	2,426.96	2,133.87
Finance Costs	23	2,364.38	2,913.87
Depreciation and Amortisation	8	814.83	825.67
Other expenses	24	2,301.68	2,751.84
Total Expenses		126,055.44	145,581.43
III. NET PROFIT / (LOSS) BEFORE TAXATION		1,419.57	(3,298.08)
Less: Provision for Taxation:			
- Current Tax		289.43	-
- Less: MAT credit entitlement		(289.43)	-
- Deferred Tax		366.43	(1,070.04)
Total Tax Expenses		366.43	(1,070.04)
IV. NET PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		1,053.14	(2,228.04)
V. PROFIT/LOSS FROM DISCONTINUING OPERATIONS		-	-
VI. TAX EXP. OF DISCONTINUING OPERATIONS		-	-
VII. PROFIT/ (LOSS) FROM DISCONTINUING OPERATIONS (after Tax)		-	-
VIII. NET PROFIT / (LOSS) FOR THE YEAR		1,053.14	(2,228.04)
Basic / Diluted Earnings per Share of Rs. 10 each		7.68	(16.24)
Significant Accounting Policies	1 to 46		
The accompanying notes are integral part of the financial statements			

As per our attached report of even date

For B. Thiagarajan & Co., For Thangamayil Jewellery Limited

Chartered Accountants
Firm's Registration Number:0043715

D.Aruchamy
Partner
M.No.219156
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B. Rajeshkanna

Independent Director 00935338
Director 01388187
Company Secretary
Chief Financial Officer



CASH FLOW STATEMENT

₹ in Lakhs

PARTICULARS	2015-16	2014-15
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	1,419.57	(3,298.08)
Add/(Less) Adjustments:		
Depreciation	814.83	825.67
Finance Charges	2,364.38	2,913.87
Profit on Sales of Assets	(9.14)	
	4,589.63	441.46
Operating Profit before Working Capital Changes		
Adjustments for movements in:		
(Increase)/decrease in Inventories	776.28	5,368.41
(Increase)/decrease in Trade Receivables	3.46	(6.16)
(Increase)/decrease in Loans & Advances	167.17	444.90
Increase/(decrease) in Current Liabilities and Provisions	1,752.96	1,976.80
Cash Generated from Operations	7,289.49	8,225.41
Taxes Paid - Payment of Direct Taxes	7.82	6.64
Net Cash Flow From Operating Activities	7,281.67	8,218.77
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets (Including Capital Advances)	(509.12)	(337.73)
Proceeds from Sales of Fixed Assets	27.57	4.96
Net Cash used in Investing Activities	(481.54)	(332.77)
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of short term loans from Banks	4,980.88	9,305.31
(Acceptance)/Repayment of Fixed Deposits(Net) & Others	(1,076.13)	(3,382.98)
Dividend Paid (inc. Corporate Dividend Tax)	165.29	160.51
Finance Charges Paid	2,364.38	2,913.87
Net Cash flow from Financing Activities	6,434.41	8,996.71
Net Increase / (Decrease) in Cash & Cash equivalents	365.71	(1,110.71)
Cash & Cash Equivalents at the beginning of the year	573.81	1,684.52
Cash & Cash Equivalents at the end of the year	939.52	573.81
Components of Cash and Cash equivalents at the year end		
Cash on Hand	125.32	
Balances with Banks and others	814.20	
	939.52	573.81

Notes :

- The above Cash Flow Statement has been complied from and is based on the Balance Sheet as at March 31, 2016 and the relative Profit and Loss Account for the year ended on that date.
- Out of the above Cash equivalents at the end of the year ₹ 129.03 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.
- 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.
- Previous year's figures have been regrouped / reclassified wherever necessary in order to confirm with current year's classification.

For B. Thiagarajan & Co., For Thangamayil Jewellery Limited

Chartered Accountants
Firm's Registration Number:0043715

D.Aruchamy
Partner
M.No.219156
Date - May 25, 2016
Place - Madurai

Balarama Govinda Das
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Independent Director 00935338
Director 01388187
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.	<u>Straight Line basis</u>	
	- Building	60 Years
	- Plant & Machinery	15 Years
	- Furniture and Fittings	10 Years
	- Office equipments	15 Years
II.	<u>Written Down Value basis</u>	
	Vehicles	
	- Motor Car	8 years
	- Two Wheelers	10 years
	Computers	
	- Hardware	3 years
	- Software	6 years

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 is 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	
	2016	2015
NOTES 1 - SHARE CAPITAL		
Authorised: 200,00,000 Equity Shares of Rs. 10 each (Previous Year 200,00,000 Equity Shares)	2,000.00	2,000.00
Issued, Subscribed and Paid up capital: 13,719,582 Equity shares (Previous Year 13,719,582 Shares) of ₹ 10 each, fully paid.	1,371.96	1,371.96
	1,371.96	1,371.96
Reconciliation of Number of Shares	No. of Shares	No. of Shares
Balance as at the Beginning of the year (₹ 1,371.96 lakhs)	13,719,582	13,719,582
Movement during the year (Nil)	-	-
Balance as at the end of the year (₹ 1,371.96 lakhs)	13,719,582	13,719,582
Shares In The Company Held By Each Shareholder Holding More Than 5 Percent Shares		
(As at 31st March 2016)		
Equity Shares of ₹ 10 each fully paid	No. of Shares	% of Share Holding
Ba. Ramesh	2,881,603	21.00%
Balarama Govinda Das	2,857,329	20.83%
N.B. Kumar	2,841,451	20.71%
SBI Mutual Fund Group	1,046,825	7.63%
Thangamayil Gold and Diamond Pvt Ltd.,	701,671	5.11%
(As at 31st March 2015)		
Equity Shares of ₹ 10 each fully paid	No of Shares	% of Share Holding
Ba. Ramesh	2,881,603	21.00%
Balarama Govinda Das	2,857,329	20.83%
N.B.Kumar	2,841,241	20.71%
SBI Mutual Fund Group	1,028,775	7.50%
Thangamayil Gold and Diamond Pvt Ltd.,	701,671	5.11%
<u>Terms/Rights attached to Equity Shares</u>		
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	
	2016	2015
NOTE 2 - RESERVES AND SURPLUS		
(a) Share Premium		
As per last Balance Sheet	3,175.80	3,175.80
	3,175.80	3,175.80
(b) General Reserve		
As per last Balance Sheet	1,981.95	1,781.95
Add: Transfer from Profit and Loss Account	200.00	200.00
	2,181.95	1,981.95
(c) Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	6,336.57	9,030.13
Add: Profit / Loss for the year	1,053.14	(2,228.04)
Less: Appropriations		
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life	-	100.25
Proposed Dividend on Equity Shares	137.20	137.20
Corporate Tax on Dividend	27.93	28.09
Transfer to General Reserve	200.00	200.00
Net Surplus in the statement of Profit and Loss	7,024.58	6,336.57
Total Reserves and Surplus	12,382.33	11,494.32
<p>The Board of Directors, in their meeting on 25th May, 2016, 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 27th July 2016, 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, 2015 was ₹ 1 per share.</p>		
NON CURRENT LIABILITIES		
NOTE 3 - LONG TERM BORROWINGS		
- Term Loan from Bank(Secured)	1,250.00	2,000.00
<p>Term Loan from KVB secured by equitable mortgage of company land and building at Oppanakara Street , Coimbatore and land at Madurai. The loan is secured by property 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 was received in 14-15 and repayable in 48 monthly installments, commencing from October 2014.</p> <p>The Term loan is repayable on demand and carries interest of 12.50% p.a</p>		



NOTES FORMING PART OF ACCOUNTS

₹ in Lakhs

Particulars	As at March 31	
	2016	2015
Other Loans and Advances		
Fixed Deposits		
Fixed Deposits from Public	3,362.38	2,004.02
Loans from Directors and Others	1,116.50	1,016.00
Hire Purchase Vehicle Loan	25.00	8.91
(Vehicle Loan is secured by the respective vehicles)		
Fixed deposit includes ₹1908.39 lakhs (₹1206.54 lakhs) secured by all movable properties such as furniture, fixtures, computers, Fitting excluding plant and machinery of the company.		
₹1,144.22 lakhs (₹846.47 lakhs) Fixed Deposit carry interest @11% and are repayable 2 years from the respective years.		
₹ 2,218.16 lakhs (₹1157.55 lakhs) Fixed Deposit carry interest @12.5% and are repayable 3 years from the respective years		
	5,753.88	5,028.93
The above amount includes		
Secured Borrowings	3,183.39	3,215.45
Unsecured Borrowings	2,570.49	1,813.48
	5,753.88	5,028.93
Current Liabilities		
NOTE 4 - SHORT - TERM Borrowings		
Secured		
- Working Capital Demand Loans from Banks	-	3,900.00
- Cash Credit from Banks	6,999.30	8,080.17
The above working capital loans extended by multi banking system are secured by a pari passu charge on stocks and book debts of the company.		
The loan extended by banks are further collaterally secured by equitable mortgage of Company's properties in the case of Kotak Mahindra Bank property at Trichy and in the case of Karur Vysya Bank property at Oppanakara Street at Coimbatore and in the case Indus Ind Bank proerpty at Ramnad and in the case of Axis Bank property at Bazaar Street, Salem and with Oriental Bank of Commerce property at Madurai and also further collaterally secured by properties owned by Whole time Directors.		
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% (5,46,220 Shares) promoters share holding in the company has been pledged as collateral security for IDBI Bank Loan		
3.73% (3,60,000 Shares) promoters share holding in the company has been pledged as collateral security for Indusind Bank Loan		
3.11% (3,00,000 Shares) promoters share holding in the company has been pledged as collateral security for YES Bank Loan		
The cash credit repayable on demand and carries interest of 11.50 % to 13.75 % p.a. All the above loans are further secured by personal guarantee of whole time directors of the company	6,999.30	11,980.17
The above amount includes		
Secured Borrowings	6,999.30	11,980.17
Unsecured Borrowings	-	-
	6,999.30	11,980.17
Note 5 - Trade Payables		
For Goods-Secured	4,327.68	3,403.09
Unsecured	158.50	17.57
	4,486.18	3,420.66
Secured Trade Payable		
Trade Payables includes a sum of ₹3911.66 lakhs (Previous year ₹1407.45 lakhs) as Gold Metal loan availed from Nova Scotia bank against SBLC guarantee extended by YES Bank , Karur Vysya Bank, Indusind Bank and Axis Bank for whom tangible securities were extended as covered under Note.4Trade Payables includes a sum of ₹416.02 lakhs (Previous year ₹1995.64 lakhs) as Bill Discounted with IDBI bank secured collaterally by 2.07 % (200000 shares) promoters share holding of the Company		

NOTE 8 - FIXED ASSETS AND DEPRECIATION

Tangible Assets as on 31st March 2016

₹ in Lakhs

HEAD OF ASSETS	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	Opening as on April 1, 2015	Additions / Transfer	Deletions / Transfer	Closing as on March 31, 2016	Opening as on April 1, 2015	For the year	Transfer to Profit and Loss Account	Deletion	Closing as on March 31, 2016	Closing as on March 31, 2015
LAND	2,276.55	-	-	2,276.55	-	-	-	-	2,276.55	2,276.55
BUILDINGS	1,188.92	-	-	1,188.92	81.90	18.97	-	-	1,088.05	1,107.02
LEASEHOLD BUILDING	81.58	9.73	-	91.31	20.49	1.01	-	-	69.82	61.10
PLANT & MACHINERY	1,137.06	70.52	2.60	1,204.98	244.47	80.20	-	0.91	881.23	892.60
COMPUTER HARDWARE	990.80	167.96	-	1,158.76	828.38	89.54	-	-	240.84	162.43
FURNITURE & FITTINGS	3,108.66	692.65	-	3,801.31	896.17	346.44	-	-	2,558.70	2,212.49
VEHICLES	337.24	55.48	54.16	338.57	223.27	30.44	-	37.42	122.27	113.97
TOTAL	9,120.82	996.34	56.76	10,060.40	2,294.67	566.61	-	38.33	7,237.46	6,826.15

Intangible Assets as on 31st March 2016

COMPUTER SOFTWARE	867.05	160.45	-	1,027.50	254.96	248.22	-	-	503.18	524.32	612.09
Capital Work in Progress (Including Advances)											
Previous Year	9,744.67	257.35	14.16	9,987.87	1,584.75	825.67	148.39	9.20	2,549.62	7,438.25	8,159.92

Capital work in Progress includes ₹ 42.14 Lakhs (Previous year ₹ 124.58 Lakhs) on account of work in progress and ₹ 79.62 Lakhs (Previous year ₹ 644.84 Lakhs) for Interiors and other assets for upcoming centralised purchase division.



NOTES FORMING PART OF ACCOUNTS

₹ in Lakhs

Particulars	As at March 31	
	2016	2015
NOTE 6- OTHER CURRENT LIABILITIES		
Current Maturities on Long term Loans	750.00	750.00
Fixed Deposit from Public	1,064.11	712.93
Liabilities for expenses	247.42	133.54
Advance from Customers	6,618.06	6,173.45
Interest accrued but not due on Fixed Deposits	271.18	146.34
Unpaid Dividends	3.87	3.81
Liabilities for capital goods	26.31	34.35
Hire Purchase Vehicle Loan	16.77	4.68
	8,997.71	7,959.10
Advances from customers includes an amounts of ₹ 6,564.77 lakhs (PY ₹ 6,124.55 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 ₹98.37 lakhs (₹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.		
Note 7- Short-Term Provisions		
Proposed Equity Dividend	137.20	137.20
Provision for tax on Proposed Equity Dividend	27.93	28.09
	165.13	165.29
Note 9- Deferred Tax Assets		
The breakup of net deferred tax assets is provided below:		
Opening at		
Related to Fixed Assets	(359.17)	(384.47)
Disallowance under Section 43B of Income Tax Act, 1961	(29.86)	(2.66)
Unabsorbed losses	2,050.58	930.48
Total Deferred Tax Asset	1,661.55	543.36
Movement During the year		
Related to Fixed Assets	29.87	(22.84)
Disallowance under Section 43B of Income Tax Act, 1961	58.60	(27.21)
Unabsorbed losses	(454.90)	1,120.09
Depreciation on Change in useful life of assets	-	48.15
	(366.43)	1,118.19
Closing at		
Related to Fixed Assets	(329.29)	(359.17)
Disallowance under Section 43B of Income Tax Act, 1961	28.74	(29.86)
Unabsorbed losses	1,595.68	2,050.58
	1,295.12	1,661.55



NOTES FORMING PART OF ACCOUNTS

₹ in Lakhs

Particulars	As at March 31	
	2016	2015
Note 10 - Long Term Loans and Advances		
Capital Advances		
Unsecured, Considered good	279.54	345.13
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.		
Advance recoverable in cash or kind		
Unsecured, considered good	34.09	37.65
Rental Advances - Unsecured, Considered Good	627.77	631.22
Deposits with Government / Statutory bodies	36.66	35.51
	978.06	1,049.51
Current Assets		
Note 11 - Inventories		
Raw Materials	697.05	233.81
Work-in-Progress	4,748.48	296.83
Finished Goods	22,420.49	28,091.24
Packing Materials and Gift items	226.29	246.72
	28,092.31	28,868.59
<i>Mode of Valuation</i>		
Inventories including company's stock held with gold smiths are valued at lower of cost or net realizable value. The cost of raw material inventories is computed on a FIFO basis. The cost of finished goods and work in progress includes cost of conversion and other cost incurred in bringing the Inventories to their present location and condition.		
Cost is generally determined on FIFO basis and wherever required, appropriate direct on cost are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.		
Hedging mechanism of entering into forward contract against appropriate underlying assets is primarily used by the company to hedge the price fluctuation exposure of those underlying assets. The fair value adjustment arising out of such transactions is forming part of cost of assets procured.		
Packing materials and Gift items are valued at cost on FIFO basis.		
Note 12 - Trade Receivables		
Trade Receivables		
Unsecured, Considered Good		
- Outstanding for a period exceeding six months		
- Others	26.90	30.36
	26.90	30.36
Note 13 - Cash and Cash Equivalent		
Balance with Banks	76.29	185.39
Cheques/ Drafts on Hand	0.85	12.66
Cash on Hand (As certified by Management)	125.32	145.36
Dividend Account	3.88	3.86
Fixed Deposit / Margin Money Deposit under Lien	604.15	-
Deposits with original maturity less than 12 Months	129.03	226.54
	939.52	573.81



NOTES FORMING PART OF ACCOUNTS

₹ in Lakhs

Particulars	As at March 31	
	2016	2015
Note 14 - Short Term Loans and Advances		
Unsecured - Advances to Employees	19.70	10.98
	19.70	10.98
Note 15 - Other Current Assets		
Advance Recoverable in Cash or kind (unsecured, considered good)	92.41	87.64
Advance to Suppliers/ Expenses	314.75	364.45
Prepaid Expenses	100.97	160.49
Advance Payment of Income Tax (Net of Provisions)	413.22	405.39
	921.34	1,017.98
Note 16 - Revenue From Operations		
Sale of Products		
Finished Goods - Gold and Silver	117,849.25	127,008.61
Traded Goods	9,349.89	15,117.67
	127,199.15	142,126.28
Note 17 - Other Income		
Interest Income(TDS ₹ 7.82 lakhs (P.Y ₹ 6.64 lakhs)	79.78	68.86
Other Operating Income	196.08	88.22
	275.86	157.07
Note 18 - Cost of raw materials consumed		
Opening Stock	233.81	2,428.03
Add: Purchases	107,570.29	115,885.95
	107,804.10	118,313.98
Less: Closing Stock	697.05	233.81
	107,107.05	118,080.17
Note 19 - Purchase of Stock-in-trade		
Traded goods	9,227.59	14,794.51
	9,227.59	14,794.51
Note 20 - Changes in Inventories of finished goods, work in progress and stock in trade		
Closing Stock		
Work in Progress	4,748.48	296.83
Finished Goods	22,420.49	28,091.24
	27,168.97	28,388.06
Opening Stock		
Work in Progress	296.83	273.89
Finished Goods	28,091.24	31,273.57
	28,388.06	31,547.46
Increase /Decrease in Work in Progress and Finished Goods and stock in trade	1,219.09	3,159.39
Note 21 - Manufacturing expenses		
Making Charges	549.95	773.70
Stores and consumable	23.79	23.53
Manufacturing Wages	20.12	124.88
	593.86	922.11



NOTES FORMING PART OF ACCOUNTS

₹ in lakhs

Particulars	As at March 31	
	2016	2015
Note 22 - Employee benefit expenses		
Salaries and Bonus	1,826.81	1,499.99
Contribution to PF and Other Funds	186.42	175.04
Staff Welfare Expenses	233.72	278.83
Director's Remuneration	180.00	180.00
	2,426.96	2,133.87
Note 23 - Finance costs		
Interest on		
- Working capital Loan	1,173.87	2,253.22
- Term Loan and Others	298.91	119.76
- Gold Metal Loan	124.09	35.99
- Fixed Deposits	486.67	269.79
Bank Charges and Commission	280.83	235.11
	2,364.38	2,913.87
Note 24 - Other expenses		
Rent	390.59	365.39
Rates & Taxes	86.74	35.74
Insurance	129.38	100.78
Power and Fuel	291.70	285.17
Postage and Telephone charges	102.69	86.71
Advertisement and Publicity Expenses	532.55	726.53
Selling Promotional Expenses	207.02	602.16
Travelling Expenses	72.66	66.12
Director's Sitting Fees	0.95	0.70
Professional Charges	93.32	71.67
Printing and Stationery	23.87	22.78
Payment to Auditors	38.90	34.25
Repairs & Maintenance		
- for Building	11.02	8.66
- for Vehicles and others	174.86	193.01
Security Charges	106.65	132.09
Donation	12.63	0.06
Other Expenses	26.15	20.03
	2,301.68	2,751.84
The details of Audit Fees are as follows:		
(i) Payment to Statutory Audit		
Nature of Services	2015-16	2014-15
For Statutory Audit	17.50	16.50
For Tax Audit	4.50	4.00
For Limited Review	11.90	9.75
For Certification Work etc.	5.00	4.00
	38.90	34.25

**Notes Forming Part Of Accounts****25. Contingent Liabilities****a) Capital commitments****₹ in lakhs**

Description	2015-16	2014-15
Estimated value of Contract remaining to be executed on capital account net of advances not provided for.	20.00	25.00

b) A technical dispute in percentage of TDS applicability for hall marking services raised by TDS Authorities even though fully paid as per their demand for Asst year 2013-14 and 2014-15 a sum of ₹ 7.37 lakhs and ₹ 7.15 lakhs for respective years. The company went on appeal to IT Appeals Madurai against the demand for necessary relief.

The appeal is pending for disposal before the Appellate Authority. As the entire demand was paid there is no liability pending on this dispute. The said sum of ₹ 14.52 lakhs is kept under loans and advances category.

c) An order for demand of less payment of Customs duty on imported goods pertaining to earlier year for ₹ 154 lakhs passed by principal Commissioner of Customs, Chennai.

The company has moved a Writ petition against the order with Honourable High Court of Madras for quashing the order passed by the Authority. The writ was admitted and status quo is maintained.

The company is advised that it has got a more than a reasonable chance for success and therefore no provision is made in the books. Hence, this liability if any is considered as contingent in nature.

d) In respect of – outstanding Letter Credit given to bankers ₹ 3911.66 lakhs (previous year ₹ 1407.45 lakhs)

e) The Commercial Tax office, Nethaji Road Circle, Madurai has passed order and raised demand for payment under the TNVAT, 2006 for the year 2006-07 to 2009-10 of ₹ 49.96 lakhs towards liability of disallowance of input tax and classification of

goods. The company has filed an appeal against the aforesaid order with appellate Authorities and the matter is pending for disposal.

f) The Commercial Tax office, Madurai has issued a notice for the Asst year 2006 -07 to 2012-13 on the matter of payment of Sec 12 purchase tax and others made a claim aggregating to ₹ 492 lakhs.

The notice is erroneous as the law permits to adjust the excess input credit available at every point of time with that of purchase tax payable.

The company even after adjusting regularly the purchase tax due with the excess input credit available has also paid by remittances for balance if any.

Accordingly, at no point of time, the company failed to pay purchase tax u/s 12 dues. Against this frivolous notice, the company took the matter to Honourable Madras High court, Madurai bench and obtained stay and also restrained the authorities to pass any orders without the court direction.

However, commercial tax officer has not passed any order even earlier to this injunction and no action is taken for converting into orders for such notices sent by them.

As the dues were already paid with the tax input credits available, no real time liability for any further payment would be necessary. Hence, the liability if any is considered as Contingent in nature.

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



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

Transactions with Key management personnel		₹ in lakhs	
Description	as at 31.03.16	as at 31.03.15	
Remuneration			
Balarama Govinda Das	60.00	60.00	
Ba. Ramesh	60.00	60.00	
N. B. Kumar	60.00	60.00	
Amounts payable at the year end			
Balarama Govinda Das	282.29	190.67	
Ba. Ramesh	297.57	226.67	
N. B. Kumar	273.64	200.67	
Rent Paid			
Balarama Govinda Das	48.80	43.00	
Ba. Ramesh	6.00	6.00	
N. B. Kumar	9.60	8.40	
Rent Advances			
Balarama Govinda Das	35.00	35.00	
Ba. Ramesh	5.00	5.00	
N. B. Kumar	5.00	5.00	
Interest Paid/ Payable			
Balarama Govinda Das	34.66	17.13	
Ba. Ramesh	38.77	18.88	
N. B. Kumar	34.77	18.18	
Dividend Paid			
Balarama Govinda Das	28.57	28.57	
Ba. Ramesh	28.82	28.82	
N. B. Kumar	28.41	28.41	
Transactions with Relatives of KMP			
B. Rajeshkanna	15.00	15.00	
B. Prasannan	15.00	15.00	
S.K.Yadeenthuranathan	15.00	15.00	
N.B. Arun	12.00	7.00	
R.Gokul	12.00	7.00	
Dividend Paid			
B. Rajeshkanna	0.21	0.21	
B. Prasannan	0.21	0.21	
K. Thamaraiselvi	0.23	0.23	
Y. Darmini	0.22	0.22	
Yamuna Vasini Deva Dasi	0.20	0.20	
R. Gokul	0.13	0.13	
N.B. Arun	0.22	0.22	



Transactions with Key management personnel		₹ in lakhs
Description	as at 31.03.16	as at 31.03.15
Enterprises over which KMP and their relatives have substantial interest		
Advance		
Thangamayil Gold and Diamond Private Limited	16.00	7.00
Balusamy Silvers Jewellery Private Limited	2.00	2.00
Dividend Paid		
Thangamayil Gold and Diamond Private Limited	7.01	7.01
Balusamy Silvers Jewellery Private Limited	2.25	2.25
Interest		
Thangamayil Gold and Diamond Private Limited	0.51	0.43
Balusamy Silvers Jewellery Private Limited	0.15	-

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.

27. Earnings per Share

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

The numerators and denominators used to calculate Basic / Diluted Earnings per Share:			
Sl. No.	Particulars	2015-16	2014-15
a)	Amount used as the numerator Profit/(Loss) after tax (A) (₹ in lakhs)	1,053	(2,228)
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) (₹)	7.68	(16.24)

28. Employee Benefits

a) Defined Contribution Plan

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

₹ in lakhs

Particulars	31.03.2016	31.03.2015
Employer's Contribution to Provident Fund	108.27	106.36
Employer's Contribution to Employees' State Insurance Scheme	58.40	44.83


b) Defined Benefit Plan

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

₹ in lakhs

Particulars	31.03.2016	31.03.2015
Change in Obligation		
1. Obligations at the beginning of the year	96.99	75.11
2. Add: Current Service Cost	22.18	20.26
3. Add: Interest Cost	7.76	6.01
4. Add: Actuarial (Gain)/Losses due to change in assumptions	(14.42)	6.62
5. Less: Benefits paid	9.22	11.01
6. Obligations at the end of the year	103.29	96.99
Fair value of Plan Assets		
1. Fair value of Plan assets at the beginning of the year	107.97	107.15
2. Add: Expected Return on Plan Assets	8.95	9.17
3. Add: Actuarial Gain/(Loss)	-	-
4. Add: Contribution	3.56	2.66
5. Less: Benefits paid	9.21	11.01
6. Fair value of Plan assets at the end of the year	111.27	107.97
Actual Return on Plan Assets		
1. Expected Return on Plan Assets	8.95	9.17
2. Actuarial Gain/(Loss) on Plan Assets	-	-
Actual Return on Plan Assets	8.95	9.17
Amount Recognized in Balance Sheet		
1. Present value of Obligation as at March 31	103.29	96.99
2. Less: Fair value of Plan Assets as at March 31	111.27	107.97
3. Net Liability/ (Asset) recognized in the Balance Sheet	(7.98)	(10.98)
Expenses recognized in Profit and Loss		
1. Current Service cost as per Valuation Report	22.17	20.26
2. Add: Interest cost	7.76	6.01
3. Less: Expected Return on Plan Assets	8.95	9.17
4. Add: Actuarial (Gain) / Loss	(14.42)	6.62
5. Expense recognized in Profit and Loss account	6.57	10.01
Actuarial Assumptions		
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 ₹ 7.98 lakhs (Previous year ₹ 10.99 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.

29. 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.

30. The company accepted from third parties gold (22C 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 31/03/2016 is 110.11 Kgs (Previous year 34.11 Kgs). This being gold taken on Job Work basis, the same is not forming part of inventory of the Company.

31. 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 ₹ 390.59 Lakhs (Previous year ₹ 365.39 Lakhs).

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

(₹. In lakhs)

Particulars	2015- 2016	2014- 2015
Due within one year	429.96	428.41
Due in within one to five years	1,112.23	1,346.10
Due after five years	871.87	2,425.98

**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	16.77	15.17
Due in within one to five years	24.99	20.47

32.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.

33.Advance recoverable in cash or kind includes a sum of ₹ 42.60 lakhs as customs duty refund recoverable from State Bank of India, Madurai. The pending amount resulted on account of difference on customs duty rate applicable for metal loan purpose and it is a part amount due out of full amount claimed and SBI is processing our claims for settlement.

34.The Income tax assessments up to financial year 2012-13 were completed without any dispute/ demand. The other current assets includes a sum of ₹ 413.21 lakhs towards advance tax paid for the pending assessment years. Once, the assessments are completed in normal course, due to carry over losses of last two years, the entire amount is refundable from the department.

35.The company is collecting advances from customers both in the form of gold and money and no value addition is charged as per terms of agreement at the time of sale of ornaments. The liability for receipt of customer advances in this category is accounted as and when received by the company.

At the time of redemption entire value addition will be given as discount to the customers and no provision for such future discount is made in the accounts in accordance with the significant accounting policies of the company as the real time sale is contingent on redemption. As sum of ₹ 5886.90 lakhs is outstanding in

s u c h scheme as on 31st March 2016. The discount if any payable in future on redemption will be treated as reduction in sales realization.

36. Rates and taxes include a sum of ₹ 27.29 lakhs payable towards newly applicable central excise duty on manufacturing of gold ornaments. The company has not collected from the customers and suffered the incidence of 1% excise duty by itself.



37. During the year, the company transferred from Capital work in progress (net) to fixed assets a sum of ₹647.67 lakhs consists of Furniture and Fitting of ₹ 528.66 lakhs and balance comprises of computers and electrical fitting.

All these assets are installed / kept in the centralized purchase division location of the company. The d i v i s i o n commenced its activities from March 2016 onwards.

38. During the year the company has capitalized borrowing costs amounting to ₹ 119.10 lakhs in accordance with AS 16 "Borrowing Costs" issued by The Institute of Chartered Accountants of India.

39. 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.

40. 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.

41. Quantitative Information

Class of Goods	Unit	Opening Stock	Purchase / Consumption	Sales	Closing Stock
Gold and Jewellery	Grams	10,09,108	44,42,882	45,17,725	9,34,265
Silver, Silver Golusu and Articles	Grams	42,42,585	1,85,49,257	1,77,23,991	50,67,851
Silver Articles	Pcs	25,871	94,750	86,673	33,948
Diamonds	Carats	878	84	215	747
Platinum and Precious Stones	Pcs	673	118	193	598
Alloy and Copper	Grams	15,071	22,613	-	37,684

**For the year ended 31st 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	58	205	878
Platinum and Precious Stones	Pcs	807	63	197	673
Alloy and Copper	Grams	38,434	(23,363)	-	15,071

42. Details of Products Sold – Broad Heads

₹ in lakhs

Particulars	2015- 2016	2014- 2015
Finished Goods Sold		
Gold Ornaments	110,939.13	119,681.58
Silver Items	6,910.12	7,327.03
	117,849.25	127,008.61
Traded Goods Sold		
Gold Ornaments	8,938.75	14,724.14
Diamonds	130.87	119.07
Silver Items	280.27	274.46
	9,349.89	15,117.67

₹ in lakhs

Details of Materials Consumed -Broad Heads		
Particulars	2015- 2016	2014- 2015
Details of Materials Consumed		
Gold Ornaments	112,417.50	129,411.17
Silver Items and Diamonds	5,730.09	6,622.90
	118,147.59	110,537.10



Details of Inventory – Broad Heads

₹ in lakhs

Particulars	2015- 2016	2014- 2015
Pure Gold	341.37	73.49
Gold Ornaments	25,053.15	26,317.38
Silver Items	1,998.09	1,624.21
Diamonds	473.41	606.79
	27,866.02	28,621.8

43. Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	2015-16	2014-15
Travelling Expenses	0.69	-

44. The Company has no dues to micro and small enterprises during the year ended March 2016 and March 2015.
45. All figures have been rounded off to the nearest thousands.
46. 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

F. Regn. No. 004371S

D.Aruchamy
Partner
M.No.219156

Place - Madurai
Date - May 25, 2016

For Thangamayil Jewellery Limited

Balarama Govinda Das Managing Director

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

Lalji Vora }
V. R. Muthu } Independent Directors
S. Rethinavelu }

Yamuna Vasini Deva Dasi Director

V. Vijayaraghavan Company Secretary

B. Rajeshkanna Chief Financial Officer



NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the 16th Annual General Meeting of the Company will be held on Wednesday, 27th July 2016 at Tamilnadu Chamber of Commerce & Industry, No: 178-B, Kamarajar Salai, Madurai - 625 009, 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 2016 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 Mr. Ba. Ramesh 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.V.Ramasamy (holding DIN.00039262), who has been appointed as an Independent director in the Board Meeting held on 25.05.2016, 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 one year with effect from 25.05.2016 to 24.05.2017.

6. 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 ₹ 34.39 Crores from the Public and ₹13.75 Crores from the Shareholders of the Company (totalling to ₹48.14 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 31.03.2016.

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, 2016

(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 Regulation 27 of SEBI (LODR) Regulation 2015 of the listing agreement entered with the Stock Exchange is annexed.

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be a member of the company. The proxies in order to be valid, must be duly stamped, executed and received at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

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 / Bank mandate etc.,
 - (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 holdings.
3. The register of members and share transfer books of the company will remain closed from 21st JULY 2016 TO 27th JULY 2016. (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
5. Members are requested to quote their folio / Demat ID 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 changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company/Registrars.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars. Electronic copy of the annual report for 2015-16 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 2015-16 is being sent in the permitted mode.

Voting through electronic means:

In Compliance with provisions of Section 108 of the Companies act, 2013 and rule 20 of the Companies (management and administration) rules, 2014 the Company is pleased to provide members facility to exercise their right to vote at the 16th 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 24th July 2016, 10.00 AM and ends on 26th July 2016, 5.00 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th July 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
- 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

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"> ◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/ mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ◆ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant to Thangamayil Jewellery Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows phone stores respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- * Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - * A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - * After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - * The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.



- ✿ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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 26.07.2016 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 Sl.No (I) to Sl.No. (XVIII) above to cast vote.

(B) The Voting period begins 24th July 2016 10.00 Am IST and ends 26th July 2016 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 20th July 2016 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.
- II. Mr.S.Muthuraju ACS, Practicing Company Secretary (CP.No.4181) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.

(A) The 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.

Place: Madurai
Date: May 25, 2016

By Order of the Board of Directors
For Thangamayil Jewellery Limited

(CS.V.Vijayaraghavan)
Company Secretary

**Annexure to items 2 & 5 of the notice****Details of Directors seeking appointment / re-appointment at the Annual General Meeting**

(In pursuance of Regulations 17 of SEBI (LODR) 2015)

Name of the Director	Mr. Ba.Ramesh	Mr. V.Ramasamy
Date of Birth	10.08.1960	13.01.1961
Nationality	Indian	Indian
Date of appointment on the Board	24.03.2000	25.05.2016
Qualification	SSLC	B.Com.,FCS
Experience in functional areas	3 decades of experience in the jewellery industry	Around 30 years of working experience in Government and Corporate sector
Number of Shares held in the company	2881603	Nil
List of Directorships held in other Public Companies	Thangamayil Gold & Diamond Private Limited, Madurai.	Dhruv Deal Com Private Limited, Atlantic suppliers Private Limited
Chairman/Member in the Committees of the Boards of Companies in which he is a Director.	Member	-
	Audit Committee, Stake holders grievance and relationship committee, CSR Committee	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

Place: Madurai
Date: May 25, 2016

(CS.V.Vijayaraghavan)
Company Secretary

**Explanatory Statement In Respect Of Special Business Pursuant To Sec.102 Of The Companies Act, 2013****ITEM NO.4 (Ordinary Business)**

In the 14th Annual general meeting (AGM) of the company held on 30.07.2014 M/S. B. Thiagarajan & Co, Chartered Accountants (Firm Reg.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 Reg.No.004371S) as statutory auditors as mentioned at Item no.4 of the notice.

ITEM NO.5

Mr.V.Ramasamy has been appointed as an Independent Director in the Board Meeting held on 25.05.2016. He is a Practising Company Secretary at Delhi and has around 30 years of working experience in Government and Corporate sector before he started practising as Company Secretary in 2005. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr.V.Ramasamy being eligible and having been appointed as an Independent Director for one year upto 24.05.2017 consent of the Shareholders is sought for his appointment. In the opinion of the Board, Mr.V.Ramasamy 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 Mr.V.Ramasamy 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 association would be of immense benefit to the Company and it is desirable to avail services of Mr.V.Ramasamy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr.V.Ramasamy as an Independent Director, for the approval by the Shareholders of the Company.

Memorandum of Interest:

Except Mr.V.Ramasamy, 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 Regulation 27 of SEBI (LODR) Regulation, 2015 of the Listing agreement with the Stock Exchanges.

ITEM NO.6

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 under the act for acceptance of public deposits from public since we are fulfilling the criteria of net worth of ₹ 100 crores or more and turnover of ₹ 500 crores or more as prescribed for the eligible public Companies under the act., the Company proposes to invite deposits from the public as per eligibility set out in the said resolution.

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

Memorandum of Interest:

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

By Order of the Board of Directors
For Thangamayil Jewellery Limited

(CS.V.Vijayaraghavan)
Company Secretary

Place: Madurai
Date: May 25, 2016

**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 25th May, 2016 convening the Annual General Meeting of the Company to be held on 27th July, 2016 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 31.03.2016 & the Profit & Loss account along with report of Directors, Auditors & Secretarial auditor thereon.	Ordinary resolution			
2	To reappoint a Director in place of Mr.Ba.Ramesh as a Director	Ordinary resolution			
3	To declare a dividend on equity shares	Ordinary resolution			
4	To reappoint M/S.B.Thiagarajan & co, Chartered Accountants, as statutory auditors	Ordinary resolution			
5	To appoint Mr.V.Ramasamy as an Independent Director	Ordinary resolution			
6	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 26th July, 2016 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 26th July 2016. 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.
1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to Mr. 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 26th July 2016.
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.





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 16th ANNUAL GENERAL MEETING of the Company held on Wednesday, 27th July, 2016 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) ofshares of the above named Company hereby appoint:

- 1)ofhaving e-mail idor failing him
- 2)ofhaving e-mail idor failing him
- 3)ofhaving e-mail idor failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on Wednesday, 27th July, 2016 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 31.03.2016 & the Profit & Loss account along with report of Directors, Auditors & Secretarial auditor thereon.		
2. To reappoint a Director in place of Shri. Ba. Ramesh as a Director		
3. To declare a dividend on equity shares		
4. To ratify M/S.Thiagarajan & Co, Chartered Accountants, as statutory auditors		

Resolutions	For	Against
5. To appoint Shri.V. Ramasvamy as an Independent Director		
6. To give consent for acceptance of deposits u/s.73 & 76 of the Companies Act, 2013		

Signature this.....day of.....2016

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 16th Annual General Meeting.
 - 3. It is optional to put a 'X' in the appropriated column against the Resolution indicated in the Box. If you leave the 'For' of 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
 - 4. Please complete all details including details of member(s) in above box before submission.

Affix
Revenue
Stamp



THANGAMAYIL JEWELLERY LIMITED

CIN: L36911TN2000PLC044514

Corporate Office - No. 25/6, Palami Center, New Natham Road, Near Ramakrishna Mutt,
Madurai-625014. Tel : 0452 - 438 2815 / 438 2816, Fax : 0452 - 2566560

Registered Office – No.124, Nethaji Road, Madurai – 625001.

Visit us : www.thangamayil.com email : care@thangamayil.com