

REVIEW OF FIRST QUARTER ENDED 30th JUNE 2021 PERFORMANCE

Due to COVID 19 pandemic second wave related lockdown, business operations were fully affected nearly for 53 days in this quarter as against 63 days in the same quarter of previous year .Hence previous year quarter in the same period and sequential previous quarter results are strictly not comparable.


ACHIEVED (YOY)

- The sale for the quarter was Rs. 249.72Crs as against Rs.125.89 Crs for the quarter ended June 2020
- After considering MTM loss/ gain on inventory the Gross profit was at Rs.15.74 Crs on inventory as against Rs.7.37 Crs in June 2020 for the quarter.
- The net loss after taxes was at Rs.7.46 Crs as against net loss of Rs. 6.40 Crs in June 2020
- Volume in Gold Ornaments products for the quarter was at 478 Kgs as against 238 Kgs for the quarter ended June 2020
- Volume in Silver Products for the quarter was at 1,834 Kgsas against 1,353 Kgs for the quarter ended June 2020
- Volume in Diamond Products for the quarter was at 652 Cts against 405 Cts for the quarter ended June 2020.

ACHIEVED (QoQ)

- The first quarter of 21-22 and the immediate earlier quarter results are not comparable as both operated on a different situation
- The sale for the quarter was Rs. 249.72 Crs as against Rs.739.56 Crs.
- After considering MTM loss/ gain on inventory the Gross profit was at Rs.15.74 Crs on inventory as against Rs.53.20 Crs in March 2021 for the quarter.
- The net lossbefore taxes was at Rs.9.82 Crs as against profit of Rs.19.41Crs in March2021quarter.
- Volume in gold ornaments for the quarter ended 30th June 2021, was at 478 Kgs as against 1,438in March 2021
- Volume in Silver products for the quarter was at 1,834 Kgs as against 4,966 Kgs for quarter ended March 2021
- Volume in Diamond Products for the quarter was at 652Cts against 2,250 Cts for the quarter ended March 2021.

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Review of first quarter 21-22 Performance

- The top line performance of the company has improved to Rs. 249.72Cr as against Rs.125.89 Crs for the same first quarter ended 30/06/20 registering an increase of 98%.
- The Net loss after taxes was at Rs.7.46crs as against Net loss of Rs.6.40 crs in June 2020.

In spite of improvement in turnover, the Profit/Loss after tax was at a loss of Rs.7.46 crs for the following reasons :

- a) Complete lockdown for 53 days in the first quarter 2021-22
- b) The employees strength increased by 220, resulted in higher cost in employees benefit expenses by Rs.334.46 lakhs. Due to lock down, newly recruited employees could not be placed as new planned branches could not be opened.
- c) Based on the budget for Advertisement & publicity as per contracts with media outfits, the company spent an additional amount of Rs.444.34 lakhs without any immediate sales growth due to Covid lockdown for extended days in the first quarter 21-22.
- d) Non movement of inventory due to closure resulted in additional financial expenses of Rs.40.78 lakhs in the first quarter 21-22.
- e) Similarly on other expenses, the Company met all its obligations as against concessions enjoyed in the first quarter 20-21 resulting in a cost escalation by Rs.169.32 lakhs on a comparable basis.
- f) In aggregate, the Company could not earn due to loss of operations the additional amount as stated above of Rs.988.90 lakhs in the first quarter 21-22.

OUTLOOK:

It remains uncertain due to the expectations of third wave of covid. We also noticed this time as against first wave re-emerge of pent up demand post relaxation of lockdown is moderate only. The sporadic closure of showrooms and restrictions on operations upto 5 pm only in larger part of our retail outfits make it all the more uncertain the immediate recovery prospects.

However, the management is taking all proactive steps to reduce operational cost with quarters to come in these uncertain times.

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About the company

Thangamayil Jewellery Limited (TMJL) a 2000 Crores turnover company is in the business of manufacturing and retailing Gold Ornaments, Silver Articles and diamond products and mainly operating out of 47 retail outlet (including TMJL Plus) spread across southern and western districts of Tamil Nadu. A powerful brand in the areas of operation having large customer base of well over 15 lakhs customers and the brand is a household name in the southern and western Districts of Tamil Nadu.

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Babu Ravi Kumar

