

2016-17

17TH ANNUAL REPORT



THANGAMAYIL JEWELLERY LIMITED



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



V. Ramasamy
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

Tamilnad Mercantile Bank Limited

Karur Vysya Bank Limited

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 : 26th July 2017

Time : 11.45am

Venue: Tamilnadu Chamber of Commerce & Industry

#178B - Kamarajar Salai, Madurai - 625 009

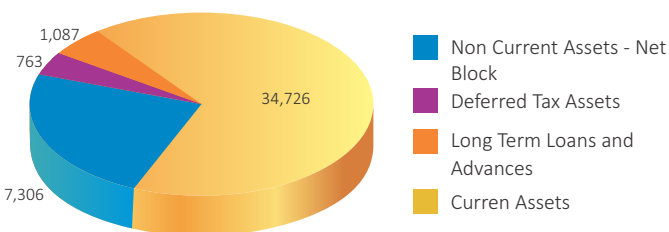


FIVE YEARS REVIEW OF FINANCIALS

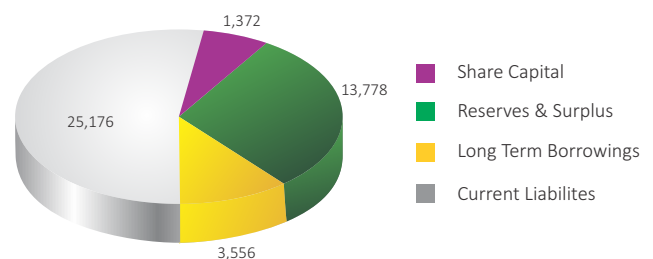
(₹ In lakhs)

| Year Ended 31st March | | 2016 - 17 | 2015 - 16 | 2014 - 15 | 2013 - 14 | 2012 - 13 |
|-----------------------|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| 1 | Sales | 1,29,365 | 1,27,172 | 1,42,126 | 1,19,130 | 1,52,298 |
| 2 | Other Income | 113 | 276 | 157 | 481 | 181 |
| 3 | Cost of materials | 1,19,052 | 1,18,148 | 1,36,956 | 1,11,376 | 1,35,952 |
| 4 | Salaries, Wages and Bonus | 2,631 | 2,427 | 2,134 | 1,774 | 2,181 |
| 5 | Other Expenses | 2,841 | 2,274 | 2,752 | 4,503 | 5,879 |
| 6 | Interest and financial expenses | 2,084 | 2,364 | 2,914 | 3,470 | 3,702 |
| 7 | Depreciation | 943 | 815 | 826 | 565 | 459 |
| 8 | Tax expenses | 532 | 366 | -1,070 | -820 | 1,342 |
| 9 | Profit/(Loss) after Tax | 1,395 | 1,053 | -2,228 | -1,257 | 2,963 |
| 10 | Dividend (including tax) | - | 165 | 165 | 161 | 797 |
| 11 | Non-Current Assets - Net Block | 7,306 | 7,884 | 8,208 | 8,849 | 7,751 |
| 12 | Deferred Tax Assets | 763 | 1,295 | 1,662 | 543 | - |
| 13 | Long Term Loans and Advances | 1,087 | 978 | 1,049 | 1,038 | 986 |
| 14 | Current Assets | 34,726 | 30,000 | 30,502 | 37,424 | 50,776 |
| 15 | TOTAL ASSETS | 43,882 | 40,156 | 41,420 | 47,855 | 59,514 |
| 16 | Share Capital | 1,372 | 1,372 | 1,372 | 1,372 | 1,372 |
| 17 | Reserves & Surplus | 13,778 | 12,382 | 11,494 | 13,988 | 15,405 |
| 18 | Long Term Borrowings | 3,556 | 5,754 | 5,029 | 1,861 | 1,657 |
| 19 | Deferred Tax Liability | - | - | - | - | 276 |
| 20 | Other Long Term Liabilities | - | - | - | 1,380 | 1,780 |
| 21 | Current Liabilities | 25,176 | 20,648 | 23,525 | 29,255 | 39,022 |
| 22 | TOTAL LIABILITIES | 43,882 | 40,156 | 41,420 | 47,855 | 59,514 |

Assets - ₹ in lakhs



Equity & Liabilities - ₹ in lakhs





Key Financial Highlights - Performance at a Glance

| Year Ended 31st March | 2016 - 17 | 2015 - 16 | 2014 - 15 | 2013 - 14 | 2012 - 13 |
|---|-----------|-----------|-----------|-----------|-----------|
| Sales and Income (₹ In lakhs) | 1,29,478 | 1,27,448 | 1,42,283 | 1,19,611 | 1,52,479 |
| EBIDTA Profits (₹ In lakhs) | 4,955 | 4,599 | 441 | 1,959 | 8,467 |
| Profit before tax (₹ In lakhs) | 1,927 | 1,420 | -3,298 | -2,077 | 4,306 |
| Profit after tax (₹ In lakhs) | 1,395 | 1,053 | -2,228 | -1,257 | 2,963 |
| Net worth Adjusted(₹ In lakhs) | 15,150 | 13,754 | 12,866 | 15,360 | 16,777 |
| Equity Capital (₹In lakhs) | 1,372 | 1,372 | 1,372 | 1,372 | 1,372 |
| Book value per share (in Rs) | 110 | 100 | 94 | 112 | 122 |
| Dividend (Incl. DDT) (₹ in lakhs) | - | 165 | 165 | 161 | 797 |
| Total outside Liabilities Adjusted (₹ in lakhs) | 27,041 | 25,463 | 27,980 | 30,810 | 39,557 |
| Number of branches in lease property | 26 | 26 | 25 | 25 | 26 |
| Number of branches in Own Property | 5 | 5 | 5 | 5 | 5 |

Source and Utilization of Funds

| Year Ended 31st March | | (₹ In lakhs) | | | | |
|-----------------------|---|---------------|--------------|---------------|---------------|--------------|
| | | 2016 - 17 | 2015 - 16 | 2014 - 15 | 2013 - 14 | 2012 - 13 |
| 1 | Source of Funds | | | | | |
| | Funds Generated from operation | | | | | |
| | (a) Profit after Taxes (net profit before tax minus tax outflow) | 1,320 | 1,412 | -3,305 | -2,286 | 1,835 |
| | (b) Depreciation | 943 | 815 | 826 | 565 | 459 |
| | (c) Miscellaneous Expenditure # | - | - | - | - | 1,779 |
| | (d) Other Income and Adjustments | 14 | -10 | - | 20 | 34 |
| | Total | 2,277 | 2,217 | -2,479 | -1,701 | 4,107 |
| 2 | Net (Increase) / Decrease in Working Capital # | 977 | 2,335 | 8,895 | 4,397 | 1,102 |
| | | 3,254 | 4,552 | 6,416 | 2,696 | 5,209 |
| 3 | Utilization of Funds | | | | | |
| | Capital Expenditure | 380 | 482 | 333 | 1,683 | 1,849 |
| | Dividends pay out including DDT | 165 | 165 | 161 | 797 | 1,116 |
| | Net (Increase)/ Decrease in Borrowings | 2,710 | 3,905 | 5,922 | 216 | 2,244 |
| | | 3,254 | 4,552 | 6,416 | 2,696 | 5,209 |

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



| Financial Ratios | 2016 - 17 | 2015 - 16 | 2014 - 15 | 2013 - 14 | 2012 - 13 |
|---|-----------|-----------|-----------|-----------|-----------|
| EBITDA / Turnover (in %) | 3.83 | 3.61 | 0.31 | 1.64 | ** 5.55 |
| PBT/ Turnover (in %) | 1.49 | 1.11 | -2.32 | -1.74 | 2.82 |
| Return on Average Capital Employed (in %) | 9.55 | 9.28 | -0.86 | 2.60 | 15.27 |
| Return on Equity (in %) | 9.21 | 7.66 | -17.32 | -8.18 | 17.66 |
| Net Debt to Equity (In times) | 1.76 | 1.85 | 1.05 | 1.43 | 2.01 |
| Current Ratio | 1.38 | 1.45 | 1.30 | 1.28 | 1.30 |
| Net Worth Per Share (in ₹) | 110.42 | 100.25 | 93.78 | 111.95 | 93.53 |
| Earning Per Share (in ₹) | 10.17 | 7.68 | -16.24 | -9.16 | 21.60 |
| P/E Ratio (based 31st March quote) | 22.77 | 25.40 | -12.01 | -14.74 | 9.51 |

** 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 2017. In spite of hostile environment prevailed in the industry throughout the year, your company could generate an EBITDA profit of ₹ 4,955 Lakhs in the year as against an EBITDA profit of ₹ 4,599 Lakhs in the previous year. This performance was made possible due to effective cost management of business in spite of a drop in volume by 17% in gold ornaments offtake.

The year started with the all India strike by the jewellery trade on a large scale against the introduction of Central excise duty and to get back to normalcy it took first two months of the year. On 8th November 2016 the Government's action of demonetization of higher denominations of currencies resulted in lack of demand in the month of November and December 2016. Moreover, sudden sharp increase in gold price affected the volume off take to a larger extent in the first two months of 2017 calendar year. In all due to these abnormal disturbances to the trade, cumulatively, the company virtually lost regular sales atleast in six months i.e. 50% period of the year. As the year closed by March 2017 INR got appreciated by 5% rapidly that affected the inventory valuation and sales realization to an extent even though replenishment of stock had taken place at a relatively lesser gold price.

Going forward, with current running year, there could be some more testing time in store for the industry. The impact of GST era from 01st July 2017 is an area of concern as nobody is sure about its implementation impact. The secular impact of GST on the industry is to be studied based on experience gained in the post GST era.



In the light of the above back ground, your company is constantly contemplating to put in certain differentiating factors as in the past to tide over uncertainties caused by various external factors on the company.

- * *Work to increase the market share by exploring "Brand Equity" built over a time;*

- * *Continued thrust on cost management initiatives*

- * *Sustain the stock turnover times in the proposed product-mix of gold including silver articles.*

As indicated in my last year's letter, your company already completed a better ambience and facelift for ten existing retail outlets. As expected our sales had started showing positive results in those branches. We are committing to remodel/refurnish another ten branches in the current year.

As indicated earlier, the company is contemplating to open atleast ten "TMJL – Plus" small outlets that would act as customer care centres and as silver articles sales outfits. This step by the company will go a long way in improving the customer base and our market share over a period of time.

A reading of the performance of last quarter of FY 2016-17 gives a positive outlook on the gross margin front on a comparable basis. In the post GST implementation business environment, the polarization impact will be felt considerably that would pave the way for an improved gross margin situation in the years to come.

Though we are expecting a positive push towards business prospects, the severe drought affected state of Tamilnadu does play a role in affecting the market realities. At the same time gold price behaviour in the past three months, adds hope to the re-emergence of the industry from its cyclical down turn witnessed in the past three years.

Going forward, we are committed to further bring down the bank borrowing in consonance with our

business objectives. The current blend of bank borrowing, customer advances & our own resources is working out better and it is our endeavour to continue with the same strategy for some more time.

Taking into consideration our financial performance for the year and the need to conserve resources for the furtherance of business expansion, your board has recommended for a dividend payment of 20% (Two rupees per ₹ 10/- face value) for your approval.

Before I conclude I would like to place on record my heart felt gratitude to all employees. Thanks are due to our bankers working under multiple banking systems and to all our shareholders who have extended their valuable support, informed feedback and advice.

Looking forward for a rewarding 2017-18.

With warm regards,
For Thangamayil Jewellery Limited

BALARAMA GOVINDA DAS
Chairman Cum Managing Director

Place – Madurai
Date – May 18, 2017



Directors' Report To The Shareholders

Dear Shareholders,

Your Directors have pleasure in presenting their 17th Annual Report and the audited accounts for the financial year ended 31st March 2017.

1) FINANCIAL RESULTS:

(₹ In lakhs)

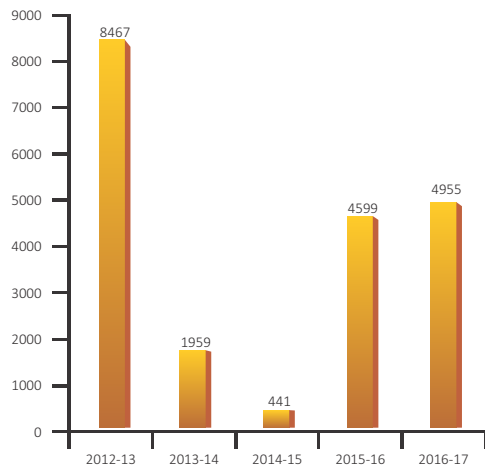
| Particulars | 2016 - 17 | 2015 - 16 |
|--|--------------|--------------|
| Sales and Other Operating Income | 1,29,478 | 1,27,448 |
| Gross Profit | 10,313 | 9,024 |
| Earnings before Interest, Depreciation and Taxation (EBIDTA) | 4,955 | 4,599 |
| Finance Cost | 2,084 | 2,364 |
| Depreciation | 943 | 815 |
| Profit/(Loss) Before Tax (PBT) | 1,927 | 1,420 |
| Tax | 532 | 367 |
| Profit/(Loss) After Tax (PAT) | 1,395 | 1,053 |

On a revenue of ₹1,29,478 Lakhs for the year, the company made an operating profit of ₹10,313 Lakhs post expenditure including interest outflow of ₹2,084 Lakhs. The company made a cash profit of ₹2,871 Lakhs as against cash profit of ₹2,235 Lakhs. Though in value terms turnover had increased moderately by 1.60% in volume terms for gold ornaments it had seen a steep reduction by 17% and silver articles registered a marginal volume growth of 2%.

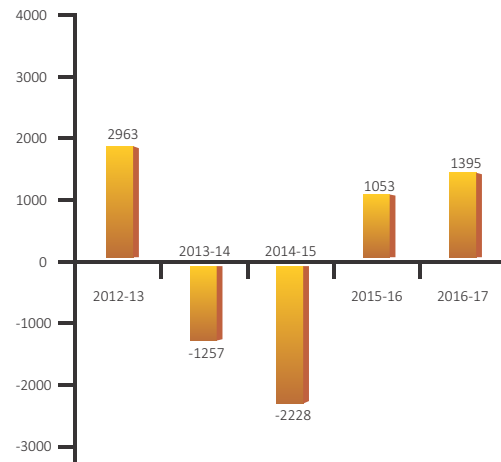
The performance was hit by nationwide strike for imposition of central excise duty on gold industry in April/May 16. It was further affected in the months of November /December 2016 due to demonetization of high end currencies by the Government of India. A near all-time high of gold price in the fourth quarter of the year affected significantly the volume offtake. In fact 6 out of 12 months the industry witnessed volume reduction due to different adverse factors.



Under these compelling adverse environment prevailed during the major part of the year, the ultimate bottom line financial performance of the company is satisfactory.



EBITDA - ₹ In lakhs



PAT - ₹ In lakhs

It is pertinent to note that in the last quarter of 2016-17, the company could perform better due to margin expansion resulted on account of better product mix sales. The depressed performance of the third quarter was followed by moderately better demand outlook in the fourth quarter. During the year, the company made “facelift” changes in term of its existing medium sized branches. The recent performance of these branches is encouraging.

Deferred Tax Assets

As at the end of March 2016, we carried a deferred tax asset of ₹1,295 Lakhs and the same had got subsequently reduced to ₹763 Lakhs, by virtue of operating profit earned by the company in 2016-17. The company is of the view that the business environment has turned conducive to earn adequate profits and it is hoped that the entire deferred tax asset could be wiped out in 2017-18 itself. The virtual certainty of reversing these losses is being established currently.

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:

- * Better offtake in the last quarter coupled with better realization in gold price in spite of overall negative volume growth in the year.
- * Maximum use of metal loan facility that acted as a natural hedge for the ever fluctuating gold price movement
- * Contribution of sales in silver items.
- * Better price of small volume items in the product mix of gold ornaments. Marked reduction in the cost of finance from ₹2364 Lakhs to ₹2084 Lakhs, a reduction by 12%.
- * Constant monitoring of expenses as part of better and effective cost management.
- * A marginal impact of positive polarization effect on the organized sector.
- * Better stock turnover with a given expanded gross profit margin in the changed business environment.
- * All these factors cumulatively contributed to the EBITA of ₹4,955 Lakhs as against ₹ 4,599 Lakhs. But for the disturbances witnessed in major part of the year, we could have performed much better operationally.



2. Key strategies & initiatives taken by the management in 2016-17

Marked reduction in the cost of sourcing of manufactured items.

Cost of finance got reduced for the level of activity due to better rotations resulted in the customer gold.

Conversion of a major part of cash credit loans from banks to metal loan. Metal loan portion in the overall liability witnessed an increase from ₹3,911.66 Lakhs to ₹8,539.63 Lakhs, that ensured reduction in debt servicing cost.

Completed a massive “repositioning” work of medium sized branches by redesigning its decor & ambience with a view to improve the overall visibility of the company.

Improve the customer base year after year by exploring fresh avenues for visibility improvement.

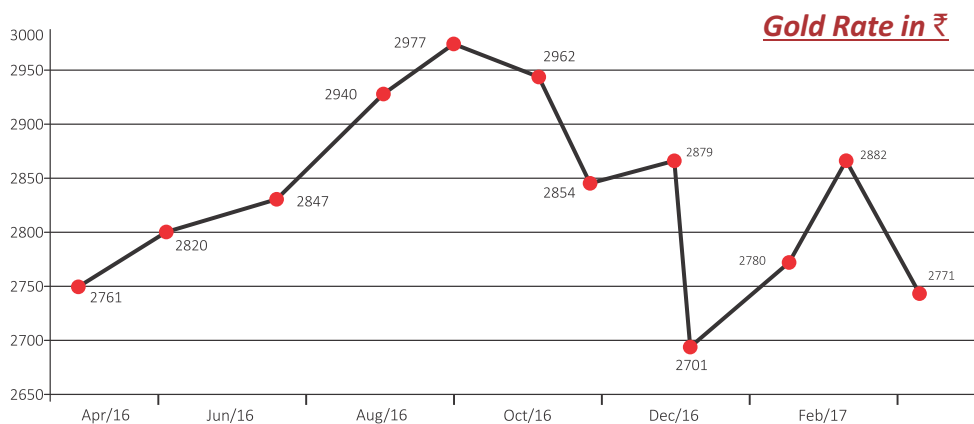
3. Hedging

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 2017 will be fixed for the definitive price. As indicated in the last year report, INR got depreciated from ₹66 to ₹64 currently and with the international price improving from US\$ 1050 to US\$ 1250 currently, there was no inventory loss in 2016-17. As expected the 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 receded 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.

Gold Rate





4. Continuing New Challenges

- The shrinking business potential on a long term basis is a cause for concern. Import of gold are coming down in volume terms does not auger well for the growth of the industry.
- Highly fluctuating gold price movement both on account of international price of gold and also on account of INR behaviour vs US\$.
- Extra ordinary Government regulations deployed to restrict the business in all aspects.
- The effect of rupee demonetization is yet to be seen fully.
- In a falling interest regime, all the assets classes are stagnated including gold that prompts the customer to postpone purchase of gold as an investment to a future date
- The implementation of central excise and the proposed GST introduction will extremely affect the business model followed by many entities.
- Continued monsoon failures in the past three consecutive years affected the purchasing power of the rural community wherefrom we operate most of our retail outlets.
- Apart from these new challenges, the existing challenges faced by the industry like TCS, compulsory furnishing of PAN, statutory hallmarking condition, exorbitant wage increase necessitated by Minimum Wages Act, local laws & its administration continued in this year as well.

5. Future Prospects

- Due to strict implementation of various Government restrictions imposed on the trade, we are able to see a visible shift in the polarization impact of the industry. It is likely to gather momentum in the post GST era in a couple of years.
- A marked reduction in the cost of funds by way of metal loan augers well for the industry in the long run. It gives comfort as a hedging instrument and also as interest saver.

- The inherent strength of the business model comprising of substantial sale of silver ornaments to cover a part of the fixed over heads increases the margin of safety in the business while bringing down the BEP level consistently.
- If the first 45 days of the current year is to be reckoned for the expected performance it is likely that the year 2017-18 will be promising in spite of constraints faced by the industry.
- In general, expanding gross profit margin, better stock turnover times, improved volume offtake and planned reduction in per gram "cost of sale" of gold, will collectively contribute to a sustainable growth in both top & bottom line of the company in the years to come.
- Barring unforeseen circumstances, the current year 2017-18 would see a decent growth in performance on all fronts.

6. Manufacturing Facilities

Utilisation of own manufacturing facilities is around 75% as against 70% of the earlier years. The overall cost of production has come down due to attainment of scale of economics in the manufacturing facilities.

It is expected to improve the own manufacturing capacity utilisation in forthcoming years. The existing capacity will cater to 40% of our dealt ornaments.

7. Positive Impact Of The Balance Sheet Liability Management

The progressive steps taken in the last couple of years with respect to liability management has started yielding good results. A part of the working capital loan got reduced from ₹32,610 Lakhs in 2012-13 to ₹13,586 Lakhs in 2016-17.

At the same time, low cost metal loan facilities, bill discounting, advance from customers were used as alternative source of funds. All the key financial ratios were improved. The cost of funds from banks got reduced over a period of three years as given below:



(₹ In lakhs)

| Year ended 31st March | Limits Used(Avg) | Interest & Other charges | As a % (on loan availed) |
|-----------------------|------------------|--------------------------|----------------------------|
| 2015 | 18043 | 2525 | 14.00% |
| 2016 | 13355 | 1579 | 11.82% |
| 2017 | 12722 | 1135 | 8.92% |

8. Dividend

The Board of Directors of the Company are pleased to recommend a dividend of ₹ 2/- (20%) per equity share for 2016-17 (₹ 1 in 2015-16) 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. This will result in cash outflow of ₹ 335 Lakhs.

During the previous year, the company has made a provision for the dividend declared by the Board of Directors as per requirement of pre-revised Accounting Standard (AS-4) Contingencies and events occurring after the balance sheet date.

Consequently, no provision has been made in respective of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March 2017. Had the company continued with the creation of provision for the proposed dividend as at the balance sheet date, its balance in surplus would have been lowered by ₹335 Lakhs and short term provision would have been higher by ₹ 335 Lakhs including DDT.

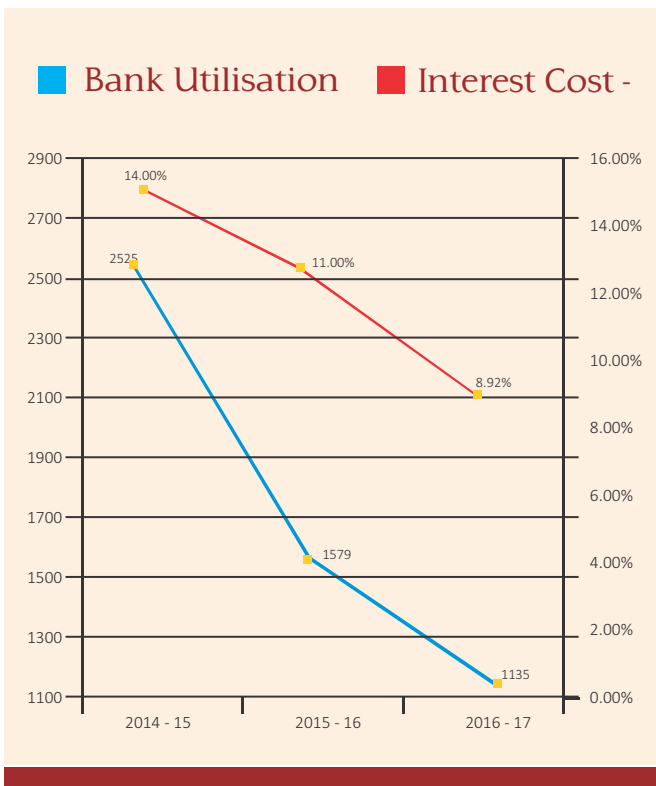
9. Material Changes And Commitment If Any Affecting The Financial Position Of The Company Occurred Between The End Of The Financial Year To Which This Financial Statements Relate And The Date Of The Report.

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 ₹ 441 Lakhs to our gross block comprising of ₹ 349 Lakhs for Plant & Machinery and Furniture & Fittings and other assets and balance of ₹92 Lakhs for Computer Equipment's including Software.

The capital work in progress amount outstanding at the year end of the previous year is ₹ 122 Lakhs. Accordingly, a sum of ₹ 49 Lakhs kept under capital work in progress is fully capitalized in this financial year and balance of ₹ 73 Lakhs comprising of interiors and other assets still to be put in use are yet to be capitalised.



In fact, after a long spell of four years, this is the best year wherein the quantum of absolute reductions is commensurate with the quantum of loan exposure. The interest cover ratio has also improved to 2.38 times due to better inventory management in this year.

Due to continued thrust and efforts made by the company, interest outgo is expected to be much lower than 2016-17 in the years to come.



For the previous year, we capitalized ₹ 1,157 Lakhs to our gross block comprising ₹ 828 Lakhs for Plant & Machinery and Furniture & Fittings and others and the balance of ₹ 329 Lakhs for Computer Equipments including Software.

11. Finance

The secured working capital borrowings of the company as on March 31, 2017 stood at ₹ 13,586 Lakhs as against ₹ 11,327 Lakhs in the previous year. The existing sanctioned limit of ₹ 20,100 Lakhs added with ₹ 2,000 Lakhs as bill discounting limit with IDBI bank aggregating to ₹ 22,100 Lakhs is sufficient to take care of current year requirement of the company.

Out of ₹ 3000 Lakhs, long term loan availed from Karur Vysya Bank, as per the terms of sanction, we have repaid a sum of ₹ 750 Lakhs during the year and the balance of ₹ 1250 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, 2017 was ₹ 4343 Lakhs. Apart from these serviceable borrowings, the company is also taking advances from customers in line with the Rules framed under the Companies Act, 2013. The company is maintaining a healthy current ratio at 1:1.38 as on March 31, 2017. Therefore, the liquidity position of the company under current context of business requirement is comfortable 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 substantially. Currently, the company is enjoying an aggregate credit facility of ₹ 22,100 Lakhs 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 ₹ 1,242 Lakhs as compared to ₹ 1,220 Lakhs paid in the previous year and Advance income tax of ₹ 358 Lakhs for financial year 2016-17.

13. Depository System

The trading in the Equity Shares of your Company is under compulsory dematerialization mode. As on March 31, 2017, 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. 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 2017.

15. 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 & the Listing Agreement with the Stock Exchanges, is given as a separate statement forming part of this Annual Report.

16. 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 2017-18 have been paid to these Stock Exchanges. The Shares of the companies are compulsorily tradable in dematerialized form.



17. Insurance

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

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 2017, the Company has 1213 employees on its rolls as against 1077 employees in the previous year.

19. Particulars Of Employees And Related Disclosures

In terms of the provisions 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 provisions of 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 Corporate office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their main addresses and is available on the Company's website.

20. Statement Concerning Development And Implementation Of Risk Management Policy Of The Company

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

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

The objectives and scope of the Risk Management

Committee broadly reviews:

- 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 Company shall review risks trends, exposure, and potential impact analysis and mitigation plan.



21 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 (₹ in Lakhs)

| Particulars | 2016 -17 | 2015 -16 |
|---------------------|----------|----------|
| Travelling Expenses | - | 0.69 |

22. Potential Risks , Concerns And Mitigation Plan

Risk of loss of Positioning in the market place

Due to competition in the retail trade, there is a possibility that our market share from a particular place of operation or region may decline. A lot of new entrants to the retail trade suffer from lack of knowledge of customer's preference and on quality parameters and price war. Therefore, your company with its fuller penetration to rural market is well placed to participate in the rural success story of the country. In

order to maintain/improve market share in the areas we operate in the light of regressive demand trends, we have cautiously brought down the mark up value for our products moderately and also improved customer service through online and offline mode.

Monsoon

Monsoon failure for successive years in southern parts of 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. Dwindling customer demands and purchase of other electronic goods by the customers have resulted in purchase of ornaments coming down in jewellery business. This has resulted in customer opting for light weight items. The company has decided to stock more of such items in order to get better share from sagging market as in the last year.

Change in lifestyle

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

Economic risk

General economic slowdown, change in government regulations, availability of disposable income was causing adverse impact in jewellery sales. The present Indian economy is quite strong as commodity prices and bank lending rates have declined. Since jewellery industry is always associated with wedding and other traditional occasions and demand for jewellery remain constant.

Margin risk

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

The centralised procurement policy, by which our team anticipates stock requirement and make bulk purchases at the time when gold price is low. The economies of scale and correct procurement timing



enable the company to significantly reduce the cost of the raw material. The company procures a certain quantum of gold on lease from banks, buying the gold on daily basis on the actual sale made by it. This strategy safeguards the company from gold price fluctuation.

Gold price fluctuation risks

Gold price fluctuation risk could arise on account of frequent changes in gold prices either up or downside momentum. It could have adverse impact on earnings. We are maintaining our inventory price hedging around 50:50 basis. This will help the company with any gold price fluctuation of gold price. Your Board will take appropriate action in managing the fluctuation impact in gold price movement from time to time to increase to 60:40 basis.

Change in Government Policies

New government regulations pertaining to jewellery industry like levy of excise duty on manufactured jewellery, customs duty on import of gold, TCS on sale of jewellery, requirement for furnish of permanent account number, demonetisation and implementation of GST are major factors which will affect the demand and supply chain.

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

Human Resources

The non-availability of skilled man power both at the production level and at the management level are critical for growth of this industry. Huge turnover of employees is always a risk because of penetration of large corporates in this industry.

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 2017 since the Company has incurred losses for 13-14, 14-15, there is no addition this year (Nil) - But however the Company has spent a sum of Rs.19.66 Lakhs as follows:

- * Towards Prime Minister Relief fund as per Sch.VII of the Act – Rs.10.00 Lakhs on 24.11.2016.
- * Erection of a bore well in Nedunkulam village for the use of villagers – Rs.1.30 Lakhs on 21.01.2017
- * Laying of electrical cables for the village Vadukankulam, Madurai district for the benefit of the villagers - Rs.1.21 Lakhs on 01.03.2017
- * Tractor with water tanker to water the trees at and also to meet the needs of water supplies of villagers - Rs.7.15 Lakhs on 13.03.2017

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

As against a total sum of Rs.73.00 Lakhs accumulated as on 31.03.2017, the company has spent a sum of Rs.19.66 Lakhs and a sum of Rs.53.34 Lakhs is available as on date and the company will explore avenues to spend as much sum as possible during the financial year 2017-18 to fulfil the CSR policy.

The Annual Report on CSR activities is annexed herewith at “**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 at “**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

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

**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 And 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 | 1194.16 |
| 2 | Amount remained unpaid or unclaimed as at the end of the year | 11.71 |
| 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

The term of office of the whole time directors viz., Mr. Balarama Govinda Das, Managing Director, Mr. Ba. Ramesh and Mr. N. B. Kumar, Joint Managing Directors of the Company are coming to an end by 30th November 2017 and hence they have to be re-appointed for another term of 5 years from 1st December 2017 to 30th November, 2022 and their remuneration to be fixed under the Companies Act, 2013.

Accordingly the Board recommends their re-appointment for another 5 years from 1st December, 2017 to 30th November, 2022 and the respective resolutions are given in the notice of Annual General Meeting being sent to the shareholders of the Company.

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



33. Declaration of Independent Directors

(a) 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

b) Mr. V. Ramasamy, Independent Director appointed in the last AGM (16th) for one year is completing his term by 24th May 2017 and hence his tenure has been extended by another 4 years from 25th May 2017 to 24th May 2021 in terms of Sec.149 of the Companies Act and the Board has recommended his appointment as discussed in the Board meeting held on 18th May 2017 and the same has been placed for your approval in the ensuing AGM to be held on 26th July 2017.

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

M/s. B.Thiagarajan & Co, Chartered Accountants, Chennai (Firm reg.No.004371S) were appointed as the Statutory Auditors of the company at the Annual General Meeting held on July 2014 up to 31st March 2017. M/s. B.Thiagarajan & Co., will thus be holding the office of the Statutory Auditors up to the conclusion of the forthcoming Annual General Meeting.

The company is proposing to appoint M/s. Srinivas and Padmanabhan Chartered Accountants, Chennai (Firm reg.No.004021S) as Statutory Auditors for a period of 5 years from the conclusion of the 17th Annual General Meeting till the conclusion of the 22th Annual General Meeting.

M/s. Srinivas and Padmanabhan have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits mentioned under Section 141(3)(g) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The audit committee and the board of Directors recommend the appointment of M/s. Srinivas and Padmanabhan Chartered Accountants, Chennai as Statutory Auditors of the company from the conclusion of the 17th Annual General Meeting, till the conclusion of the 22nd Annual General Meeting subject to confirmation in the respective years of AGMs of the company. The Board places on record its appreciation for the contribution of B.Thiagarajan & Co., Chartered Accountants, during their tenure as the Statutory Auditors of your company.

The Auditor's Report to the shareholders for the year under review does not contain any qualification.

36. Indian Accounting Standards (Ind As) – IFRS Converged Standards

The Company will adopt Indian Accounting Standards (Ind AS) with effect from 1st April 2017 pursuant to Ministry of Corporate Affairs Notification of the Companies (Indian Accounting Standard) Rules, 2015.

The Company has initiated the modification of accounting and reporting systems to facilitate the changes required. The implementation of Ind AS in FY 2018 will be major change process and company is well



positioned to ensure a seamless transition on the back of early completion of impact assessment.

37. 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 at “Annexure 6”.

38. 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.

39. Internal Audit And Control Systems

The company has an effective in-house internal audit system. The persons are well trained to cover various areas of verification inspection and system evaluation. All the mandatory compliances required to be followed under various 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.

40. Specified Bank Notes (SBN)

Specified Bank Notes (SBN) held and transacted during the period 8-11-2016 to 30-12-2016 are provided in the Table below

(₹ In lakhs)

| Particulars | SBNs | Other denominati on Notes | Total |
|---------------------------------------|--------|---------------------------|----------|
| Closing cash in hand as on 08.11.2016 | 845.64 | 27.81 | 873.45 |
| (+) Permitted receipts | - | 2,977.69 | 2,977.69 |
| (-) Permitted payments | - | 53.34 | 53.34 |
| (-) Amount deposited in Banks | 845.64 | 2,952.15 | 3,797.79 |
| Closing cash in hand as on 30.12.2016 | - | 141.13 | 141.13 |

For the purpose of this clause, the term ‘Specified bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016

41. Significant And Material Orders Passed By The Regulators Or Courts

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

42. Enhancing Stakeholders Value

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



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

43. Prevention Of Sexual Harassment At Workplace

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

44. Disclosure Of Composition Of Audit Committee And Providing Vigil Mechanism

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

The Audit Committee consists of the following members:

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

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

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of Company employees and the Company.

45. 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 deliberation
- 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.

46. 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. The same has been displayed at the company's website at www.thangamayil.com

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.

47. 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.

48. 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
N.B.KUMAR
Joint Managing Directors

Place – Madurai
Date – May 18, 2017

**ANNEXURE 1 - TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2017****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, Chief Executive Officer, Company Secretary or Manager in the financial year.

| S.No. | Name of the Director | Ratio of the remuneration to the median remuneration of the employees |
|-------|--|---|
| 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 | 92% Increase as compared to previous year. |

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 - 1213

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

During the year company achieved profit of ₹ 1395 Lakhs as against net profit after tax of ₹ 1053 Lakhs in the previous year. A registered growth of bottom line by 32% 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, 2017 |
|-------|----------------------|-------------------------|---|---|
| 1 | Balarama Govinda Das | Managing Director | 60.00 | During the year company achieved profit of ₹ 1395 Lakhs after tax as against net profit after tax of ₹ 1053 Lakhs in the 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. Rajesh Kanna | Chief Financial Officer | 28.80 | |

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, 2016 | As at 31st March, 2017 | % performance |
|-------|----------------------------------|------------------------|------------------------|-----------------|
| 1 | Market Price in ₹ | 181.40 | 231.60 | |
| 2 | Market Capitalization in ₹ Lakhs | 248.89 | 317.75 | 27.66% Increase |
| 3 | EPS | 7.68 | 10.17 | |
| 4 | Price Earnings Ratio | 25 | 23 | |

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

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: 6.71%
- * 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, 2017

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, 2017.

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 | 61 | 37 | 60.00 | Promoter Director |
| 2 | Ba.Ramesh | 24.3.2000 | Joint Managing Director | SSLC | 56 | 25 | 60.00 | Promoter Director |
| 3 | N.B.Kumar | 24.3.2000 | Joint Managing Director | SSLC | 50 | 19 | 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 | There is no accumulation to CSR fund this year. A balance of ₹ 73 Lakhs remains as of 31.03.2015 is being spent now ₹ 19.66 Lakhs spent during the financial year ended 31.03.2017 and a balance of ₹ 53.44 Lakhs remains in CSR account as of 31.03.2017. The Company will effectively take up projects under Sch.VII of the Act during the current financial year 2017-18 and would make an effort to spend as much as possible. The details of above spent amount are furnished in the director's report at point no.24 on CSR. Based on last three years average net profit, the company is not required to spend any 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. | ₹ 19.66 Lakhs ₹ Nil ₹ 53.44 Lakhs Please refer Sl.No.3 of this annexure |
| 6 | In case the company has failed to spend the two per cent 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. | Please refer Sl. No. 3 of this annexure wherein details of amount spent and balance available as on date. Also refer item No. 24 at Page No. 15 of Boards report for details. |
| 7 | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and Policy of the Company | Yes |

BALARAMA GOVINDA DAS

Chairman

Lalji Vora

Independent Director

Place – Madurai

Date – May 18, 2017

**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 and energy in carrying out their duties and responsibilities effectively.

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

Shall possess a Director Identification Number;

Shall not be disqualified under the Companies Act, 2013;

Shall give his written consent to act as a Director;

Shall Endeavour to attend all Board meetings and wherever he is appointed as a Committee Member, the Committee Meetings;

Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;

Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or others association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.



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

4.2 Criteria of Independence

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

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

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

- a) Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself nor any of his relatives –
 - i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of
 - A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty- five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary associate company or that holds two per cent or more of the total voting power of the company;
 - 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 Committee 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; Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Policy:

4.1. Remuneration to Executive Directors and Key Managerial Personnel

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

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

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

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Annual Performance Bonus

4.1.4. The Annual Plan and objectives for Executive Directors and Senior Executives (Executives Committee) shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and objectives.

4.2. Remuneration to Non-Executive Directors

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

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

**4.3. Remuneration to other employees**

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

ANNEXURE – 5 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[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. 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):-****1). Category-wise Share Holding**

| S.No. | Category of Shareholder | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | |
|------------|---|---|----------|------------------|-------------------|---|----------|------------------|------------------|-------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Share | % of Change |
| (A) | Shareholding of Promoter and Promoter Group2 | | | | | | | | | |
| 1 | Indian | | | | | | | | | |
| (a) | Individuals/ HUF | 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 Corp Corporate | 9,27,041 | - | 9,27,041 | 6.76 | 9,27,042 | - | 9,27,042 | 6.76 | 0.00 |
| (e) | Banks/FI | - | - | - | - | - | - | - | - | - |
| (f) | Any Others | - | - | - | - | - | - | - | - | - |
| | Sub Total(A)(1) | 96,51,194 | - | 96,51,194 | 70.35 | 96,51,195 | - | 96,51,195 | 70.35 | 0.00 |
| 2 | Foreign | | | | | | | | | |
| a | NRI-Individuals | - | - | - | - | - | - | - | - | - |
| b | Other-Individuals | - | - | - | - | - | - | - | - | - |
| c | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d | Banks/FI | - | - | - | - | - | - | - | - | - |
| e | Any Others (Specify) | - | - | - | - | - | - | - | - | - |
| | Sub Total(A)(2) | - | - | - | - | - | - | - | - | - |
| (A) | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 96,51,194 | - | 96,51,194 | 70.35 | 96,51,195 | - | 96,51,195 | 70.35 | 0.00 |



| S.No. | Category of Shareholder | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | |
|-------------|--|---|----------|------------------|-------------------|---|----------|-----------------|------------------|---------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Share | % of Change |
| (B) | Public shareholding | | | | | | | | | |
| 1 | Institutions | | | | | | | | | |
| (a) | Mutual Funds/UTI | 10,46,825 | - | 10,46,825 | 7.63 | 9,47,000 | - | 9,47,000 | 6.90 | (0.73) |
| (b) | Banks/Fl | - | - | - | - | - | - | - | - | - |
| (c) | Central Govt | - | - | - | - | - | - | - | - | - |
| (d) | State Govt | - | - | - | - | - | - | - | - | - |
| (e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) | Insurance Cos. | - | - | - | - | - | - | - | - | - |
| (g) | FIS | - | - | - | - | - | - | - | - | - |
| (h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (I) | Others (specify) | - | - | - | - | 5,000 | - | 5,000 | 0.04 | 0.04 |
| | Sub-Total (B)(1) | 10,46,825 | - | 10,46,825 | 7.63 | 9,52,000 | - | 9,52,000 | 6.94 | (0.69) |
| B2 | Non-institutions | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| | i) Indian | 12,90,954 | - | 12,90,954 | 9.40 | 7,45,109 | - | 7,45,109 | 5.43 | (3.97) |
| | ii) Overseas | - | - | - | - | - | - | - | - | - |
| (b) | Individuals | | | | | | | | | |
| I | Individuals -I. Individualshareholders holding nominal share capital up to Rs 2 lakh | 6,36,351 | 7000 | 6,43,351 | 4.69 | 11,03,797 | 7000 | 11,10,797 | 8.06 | 3.37 |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh. | 5,20,365 | - | 5,20,365 | 3.79 | 8,36,465 | - | 8,36,465 | 6.13 | 2.34 |
| (C) | Others (specify) | - | - | - | - | - | - | - | - | - |
| i) | NRI | 13,445 | - | 13,445 | 0.10 | 20,319 | - | 20,319 | 0.15 | 0.05 |



| S.No. | Category of Shareholder | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | |
|-------|---|---|--------------|--------------------|-------------------|---|--------------|--------------------|-------------------|-------------|
| | | DEMAT | Physical | Total | % of Total Shares | DEMAT | Physical | Total | % of Total Shares | % of Change |
| ii) | Clearing Members /Clearing House | 1,03,603 | - | 1,03,603 | 0.76 | 1,36,880 | - | 1,36,880 | 0.99 | 0.23 |
| iii) | HUF | 4,49,845 | - | 4,49,845 | 3.28 | 2,66,817 | - | 2,66,817 | 1.95 | 1.33 |
| | Sub-Total (B)(2) | 30,14,563 | 7,000 | 30,21,563 | 22.02 | 31,09,387 | 7,000 | 31,16,387 | 22.71 | |
| (B) | Total Public Shareholding (B)= (B1)+(B2) | 40,61,388 | 7,000 | 40,68,388 | 29.65 | 40,61,387 | 7,000 | 40,68,387 | 29.65 | 0.00 |
| | TOTAL (A)+(B) | 1,37,12,582 | 7,000 | 1,37,19,582 | 100.00 | 1,37,12,582 | 7,000 | 1,37,19,582 | 100.00 | - |
| (C) | Shares held by Custodians for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| | GRAND TOTAL (A)+(B)+(C) | 1,37,12,582 | 7,000 | 1,37,19,582 | 100.00 | 1,37,12,582 | 7,000 | 1,37,19,582 | 100.00 | - |



ii) Shareholding of Promoters

| Shareholders Name | Shareholding at the beginning of the Year | | | Shareholding at the end of the Year | | | % change in Shareholding 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 | 16.41 | - |
| Ramesh Ba | 28,81,603 | 21.00 | 19.39 | 28,81,603 | 21.00 | 16.26 | - |
| Kumar N B | 28,41,451 | 20.71 | 19.66 | 28,41,451 | 20.71 | 16.49 | - |
| B Annamayil | 10 | 0.00 | - | 10 | 0.00 | - | - |
| Yamuna Vasini Deva Dasi | 20,200 | 0.15 | - | 20,200 | 0.15 | - | - |
| B Rajeshkanna | 21,480 | 0.16 | - | 21,480 | 0.16 | - | - |
| Balasubbu Prasannan | 21,480 | 0.16 | - | 21,480 | 0.16 | - | - |
| B R Sumati | 200 | 0.00 | - | 200 | 0.00 | - | - |
| K Thamarai Selvi | 22,500 | 0.16 | - | 22,500 | 0.16 | - | - |
| Narayanan Balasubbu Arun | 22,300 | 0.16 | - | 22,300 | 0.16 | - | - |
| Balusamy Ramesh Darmini | 22,300 | 0.16 | - | 22,300 | 0.16 | - | - |
| Gokul Ramesh | 13,300 | 0.10 | - | 13,300 | 0.10 | - | - |
| Thangamayil Gold And Diamond Private Limited | 7,01,671 | 5.11 | - | 701671 | 5.11 | - | - |
| Balusamy Silvears Jewellery Private Ltd | 2,25,370 | 1.65 | - | 225371 | 1.65 | - | - |
| Total | 96,51,194 | 70.35 | | 96,51,195 | 70.35 | | |

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

| S. No. | Name | Shareholding at the beginning of (01.04.16)/ end of the year (31.03.2017) | | Date | Increase / Decrease in shareholding | Reason | Cumulative Shareholding during the year 01.04.2016 to 31.03.2017 | |
|--------|--|---|----------------------------------|------------|-------------------------------------|--------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1 | Balarama Govinda Das | 28,57,329 | 20.83 | 01-04-2016 | | | 28,57,329 | 20.83 |
| | | | | 31-03-2017 | | | 28,57,329 | 20.83 |
| 2 | Ba Ramesh | 28,81,603 | 21.00 | 01-04-2016 | | | 28,81,603 | 21.00 |
| | | | | 31-03-2017 | | | 28,81,603 | 21.00 |
| 3 | N B Kumar | 28,41,451 | 20.71 | 01-04-2016 | | | 28,41,451 | 20.71 |
| | | | | 31-03-2017 | | | 28,41,451 | 20.71 |
| 4 | B Annamayil | 10 | 0.00 | 01-04-2016 | | | 10 | 0.00 |
| | | | | 31-03-2017 | | | 10 | 0.00 |
| 5 | Yamuna Vasini Deva Dasi | 20,200 | 0.15 | 01-04-2016 | | | 20,200 | 0.15 |
| | | | | 31-03-2017 | | | 20,200 | 0.15 |
| 6 | B Rajesh Kanna | 21,480 | 0.16 | 01-04-2016 | | | 21,480 | 0.16 |
| | | | | 31-03-2017 | | | 21,480 | 0.16 |
| 7 | Balasubbu Prasannan | 21,480 | 0.16 | 01-04-2016 | | | 21,480 | 0.16 |
| | | | | 31-03-2017 | | | 21,480 | 0.16 |
| 8 | B R Sumati | 200 | 0.00 | 01-04-2016 | | | 200 | 0.00 |
| | | | | 31-03-2017 | | | 200 | 0.00 |
| 9 | K Thamariselvi | 22,500 | 0.16 | 01-04-2016 | | | 22,500 | 0.16 |
| | | | | 31-03-2017 | | | 22,500 | 0.16 |
| 10 | Narayanan Balasubbu Arun | 22,300 | 0.16 | 01-04-2016 | | | 22,300 | 0.16 |
| | | | | 31-03-2017 | | | 22,300 | 0.16 |
| 11 | Balsusamy Ramesh Darmini | 22,300 | 0.16 | 01-04-2016 | | | 22,300 | 0.16 |
| | | | | 31-03-2017 | | | 22,300 | 0.16 |
| 12 | Gokul Ramesh | 13,300 | 0.10 | 01-04-2016 | | | 13,300 | 0.10 |
| | | | | 31-03-2017 | | | 13,300 | 0.10 |
| 13 | Thangamayil Gold and Diamond Private Limited | 7,01,671 | 5.11 | 01-04-2016 | | | 7,01,671 | 5.11 |
| | | | | 31-03-2017 | | | 7,01,671 | 5.11 |
| 14 | Balusamy Silvears Jewellery Private Limited | 2,25,371 | 1.64 | 01-04-2016 | | | 2,25,371 | 1.64 |
| | | | | 31-03-2017 | | | 2,25,371 | 1.64 |

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

| S.No. | Name | Shareholding at the beginning of (01.04.16)/ end of the year (31.03.2017) | | Date | Increase / Decrease in share holding | Reason | Cumulative Shareholding during the year 01.04.2016 to 31.03.2017 | |
|-------|-----------------------------------|---|----------------------------------|------------|--------------------------------------|----------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 1 | SBI Mutual funds (Group) | 10,46,825 | 7.63 | 01-04-2016 | | | 10,46,825 | 7.63 |
| | | | | 08-07-2016 | (2,77,655) | Transfer | 7,69,170 | 5.61 |
| | | | | 08-07-2016 | 1,77,830 | Transfer | 9,47,000 | 6.90 |
| | | | | 31-03-2017 | | | 9,47,000 | 6.90 |
| 2 | Radha Kishan S Damani | - | - | 01-04-2016 | | | - | - |
| | | | | 29-07-2016 | 2,44,584 | Transfer | 2,44,584 | 1.78 |
| | | | | 31-03-2017 | | | 2,44,584 | 1.78 |
| 3 | Aadi Financial Advisors LLP | 1,53,260 | 1.12 | 01-04-2016 | | | 1,53,260 | 1.12 |
| | | | | 31-03-2017 | | | 1,53,260 | 1.12 |
| 4 | Luxmi Township Limited | 63,806 | 0.47 | 01-04-2016 | | | 63,806 | 0.47 |
| | | | | 01-04-2016 | 86,291 | Transfer | 1,50,097 | 1.09 |
| | | | | 31-03-2017 | | | 1,50,097 | 1.09 |
| 5 | Pannalal C Kothari HUF | 1,03,127 | 0.75 | 01-04-2016 | | | 1,03,127 | 0.75 |
| | | | | 16-09-2016 | 15,873 | Transfer | 1,19,000 | 0.87 |
| | | | | 31-03-2017 | | | 1,19,000 | 0.87 |
| 6 | Chartered Finance and Leasing Ltd | - | - | 01-04-2016 | | | - | - |
| | | | | 03-02-2017 | 1,05,000 | Transfer | 1,05,000 | 0.77 |
| | | | | 31-03-2017 | | | 1,05,000 | 0.77 |
| 7 | Akash Bhanshali | 1,00,000 | 0.73 | 01-04-2016 | | | 1,00,000 | 0.73 |
| | | | | 31-03-2017 | | | 1,00,000 | 0.73 |
| 8 | Lakshmanan Sivakumar | 93,153 | 0.68 | 01-04-2016 | | | 93,153 | 0.68 |
| | | | | 31-03-2017 | | | 93,153 | 0.68 |



| S.No. | Name | Shareholding at the beginning of (01.04.16)/ end of the year (31.03.2017) | | Date | Increase / Decrease in share holding | Reason | Cumulative Shareholding during the year 01.04.2016 to 31.03.2017 | |
|-------|---------------------------|---|----------------------------------|------------|--------------------------------------|----------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | | | | No. of shares | % of total shares of the company |
| 9 | Ramesh Damani | - | - | 01-04-2016 | | | - | - |
| | | | | 29-07-2016 | 84,138 | Transfer | 84,138 | 0.61 |
| | | | | 31-03-2017 | | | 84,138 | 0.61 |
| 10 | Aroni Commercials Limited | 75,000 | 0.55 | 01-04-2016 | | | 75,000 | 0.55 |
| | | | | 31-03-2017 | | | 75,000 | 0.55 |

V. INDEBTEDNESS:-**Indebtedness of the Company including interest outstanding / accrued but not due for payment:****₹ in Lakhs**

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness Crores |
|--|----------------------------------|-----------------|-----------------|---------------------------|
| Indebtedness at the beginning 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 | 1,116.50 | 2,690.91 | 19,182.92 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 1,385.70 | | 161.83 | 1,547.53 |
| Reduction | | 764.54 | | 764.54 |
| Net Change | 1,385.70 | (764.54) | 161.83 | 782.99 |
| Indebtedness at the end of the Financial Year | | | | |
| I) Principal Amount | 16,761.21 | 351.96 | 2,488.62 | 19,601.79 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | 364.12 | 364.12 |
| Total (i+ii+iii) | 16,761.21 | 351.96 | 2,852.74 | 19,965.91 |

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

| Sl. no. | Particulars of Remuneration | Balarama Govinda Das (MD) | Ba. Ramesh (JMD) | N.B. Kumar (JMD) | Total Amt in Lakhs |
|---------|---|---------------------------|------------------|------------------|--------------------|
| 1 | Gross salary | 60.00 | 60.00 | 60.00 | 180.00 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - 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 | Mr. V.R Muthu | Mr. Lalji Vora | Mr. S.Rethinavelu | V.Ramasamy | Total Amount Lakhs |
|---------|---|---------------|----------------|-------------------|-------------|--------------------|
| 1 | Fee for attending Board Committee Meetings. | 0.20 | 0.25 | 0.20 | 0.05 | 0.70 |
| 2 | Commission | - | - | - | - | - |
| 3 | Others, Please Specify | - | - | - | - | - |
| | Total (B) (1) | 0.20 | 0.25 | 0.20 | 0.05 | 0.70 |

**2. Other Non Executive Directors**

| Sl. no. | Particulars of Remuneration | Name of Director | | | | Total Amount Lakhs |
|---------|---|------------------------------|---|---|---|--------------------|
| | | Smt. Yamuna Vasini Deva Dasi | | | | |
| 1 | Fee for attending Board Committee Meetings. | 0.25 | - | - | - | 0.25 |
| 2 | Commission | - | - | - | - | - |
| 3 | Others, Please Specify | - | - | - | - | - |
| | Total (B) (2) | 0.25 | - | - | - | 0.25 |
| | Total (B)=(1+2) | 0.45 | - | - | - | 0.95 |

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

| Sl. no. | Particulars of Remuneration | Company Secretary | CFO | Total Amt in Lakhs |
|---------|---|-------------------|--------------|--------------------|
| 1 | Gross salary | 10.50 | 28.80 | 39.30 |
| | (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 (C) | 10.50 | 28.80 | 39.30 |



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 SECRETARIL AUDIT REPORT****For the Financial Year Ended March 31, 2017**

[Pursuant to Section 2014 (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 M/s.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 authorized 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, 2017 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, 2017 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 Limited and National Stock Exchange of India Limited including the New Listing Agreement under SEBI (LODR) Regulations, 2015.

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

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

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system

exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

S.MUTHURAJU

(Practicing Company Secretary)

Proprietor
ACS: 8825
CP:4181

Place: Madurai
Date: 18-05-2017

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 Members,

THANGAMAYIL JEWELRY 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: 18-05-2017



MANAGEMENT DISCUSSION AND ANALYSIS

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

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 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). 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 per cent Foreign Direct Investment (FDI) in the sector through the automatic route.

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. India's gems and jewellery exports to the US rose 7.81 per cent year-on-year during October-December 2016 due to a revival in the overall economic activity in the US.

The overall net exports of Gems & Jewellery during April-December 2016 stood at ₹175,879.24 crore (US\$ 26.28 billion), whereas exports of cut and polished diamonds stood at ₹113,171.17 crore (US\$ 16.91 billion). Exports of gold coins and medallions stood at ₹25,819.48 crore (US\$ 3.86 billion) and silver jewellery export stood at ₹18,010.72 crore (US\$ 2.69 billion) during April-December 2016. According to GJEPC, gems and jewellery exports are likely to witness a growth of about 10 per cent this fiscal due to increasing demand in the US and Europe.

According to a report by Research and Markets, the jewellery market in India is expected to grow at a Compounded Annual Growth Rate (CAGR) of 15.95 per cent over the period 2014-2019.

Investments/Developments

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

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000-September 2016 were US\$ 851.34 million, according to Department of Industrial Policy and Promotion (DIPP).



Government Initiates

In the Union Budget 2017-18, the Government of India, offered tax cuts for the middle class and other sections of society (5 per cent for the Rs 250,000-500,000 tax slab; which was 10 per cent initially). All these measures will drive consumption, which will be favourable to the gems and jewellery industry.

* The Government of India's proposal to cut corporate tax rates to 25 per cent for micro, small and medium enterprises (MSMEs) having annual turnover up to Rs 50 crore (US\$ 7.5 million) will benefit a large number of gems and jewellery exporters from MSME category.

* The Government of India's announcement on establishing gold spot exchange could help in India's participation in determining gold price in the international markets.

* The demonetization move is encouraging people to use plastic money, debit/ credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.

* The Reserve Bank of India has announced norms for gold monetization scheme, which allows individuals, trusts and mutual funds to deposit gold with banks in return for interest, to help reduce gold imports and alleviate pressure on trade balance.

* The Reserve Bank of India (RBI) has liberalised gold import norms. With this, star and premier export houses can import the commodity, while banks and nominated agencies can offer gold for domestic use as loans to bullion traders and jewellers.

* India has signed a Memorandum of Understanding (MoU) with Russia to source data on diamond trade between the two countries. India is the top global processor of diamonds, while Russia is the largest rough diamond producer. The Government of India is planning to establish a special zone with tax benefits for diamond import and trading in Mumbai, in an effort to develop the city as a rival to Antwerp and Dubai, which are currently the top trading hubs for diamond.

* Due to shortage of skilled manpower, the Gems and Jewellery Skill Council of India is planning to train over four million people till 2022. The council aims to train, skill

and enhance 4.07 million people by 2022. The council plans to tie-up with the existing training institutes including Gemological Institute of America (GIA) and Indian Gemological Institute (IGI), along with setting up of new institutes in major diamond cutting and processing centres, GJEPC said in a statement.

* The GJEPC has also proposed to develop a jewellery park on Thane-Belapur Road which is around five kilometers from Mumbai with a view to boost the Mumbai-based jewellery industry by providing modern facilities and services.

* Indian Institute of Gems & Jewellery (IIGJ) Mumbai, a project of the GJEPC, has come-up with three-year Graduate Program in Jewellery Design & Manufacturing Techniques with an introduction to Management studies in collaboration with Welington Institute of Management.

* In September 2015, the Government of India approved the gold monetisation plan in the form of revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme to mobilise tonnes of gold stored in households and temples across the country.

The Union Cabinet also approved the introduction of Sovereign Gold Bond Scheme, under which gold bonds denominated in grams of gold will be issued to individuals by the Reserve Bank of India (RBI), in consultation with Ministry of Finance.

Road Ahead

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organized market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry.

The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.



Risks And Concerns

It is essential to correctly assess the risk in each segment so that the risk is mitigated before it becomes a possible threat. General risk segments are statutory compliances, economy, financials, Government policies, market related, operational, products and technology etc., The management has a rapid review of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision making process and to encourage proactive management and not reactive management. From the perspective of the company the risks are of the following nature:

(a) **Strategic risk:** Those risks associated with operating in a particular industry and includes risks arising from demand changes, changes in customers choice 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, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

- * Documenting Major Business Process including financial reporting, Computer Controlling, Security Checks and Top Committee level Plans

- * A comprehensive information security policy and continuous upgrades to IT system

- * Audit Committee of the Board of Directors, comprising independent directors, which is functional since October 2007, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, as well as, reasons for changes in accounting policies and practices, if any.

- * A well established multi-disciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks

- * Monthly meeting of the top management committee to review operations and plans in key business areas

- * Corporate policies on accounting and major processes.

- * Well-defined processes for formulating and reviewing annual and long term business plans.

- * Preparation and monitoring of annual budgets for all trading activities.

- * Having introduced and continually upgraded, improved and fine tuned state of the art Enterprise Resource Planning (ERP) since August 2008, supplier Relations Management and Customer Relations Management, to connect its different locations, dealers and vendors.



Anti-fraud programme.

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

Information Technology

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

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

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

Human Resources & Industrial Relations

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational

competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels.

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

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

Note: Forward looking statements embedded in the Management Discussion and Analysis above is based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.





SWOT ANALYSIS

Strengths

- * Renowned brand across in southern and western regions of Tamil Nadu
- * Capable to venture into new markets and exploit various opportunities with the help of strong management team
- * Huge customer base to explore new markets across the state
- * Customized service gives a unique identity to the company distinct from other players
- * Use of synergy optimization at various functional verticals gives a huge advantage
- * Best use of technology to support business operations and expansion
- * In house qualified and technically sound team ensuring production of quality goods and cut down in cost

Weakness

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

Opportunities

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

Threats

- * Presence of Small and un-organized industry players affects a sustained growth in the industry.
- * Penetration of large corporates jewellery traders cutting down margins.
- * Macro-economic factors such as Rupee fluctuations, enactment of new laws such as GST, demonetisation and global demand recession affects the industry growth in general.
- * Acute shortage of skilled labour increases the production cost significantly.
- * Highly fluctuating gold price movement acts as a damper.



FINANCIAL OPERATIONS

1. Results of Operations

Net Revenue from Operations:

(₹ in lakhs)

| Particulars | FY 2016 - 17 | FY 2015 - 16 | Change | % of Change |
|------------------|--------------|--------------|--------|-------------|
| Sale of Products | 1,29,365 | 1,27,172 | 2,193 | 1.72% |

Sales for the financial year 2016-17 have increased by 1.72% when compared to the previous year.

2. Other Income

(₹ in lakhs)

| Particulars | FY 2016 - 17 | FY 2015 - 15 | Change | % of Change |
|------------------------|--------------|--------------|--------|-------------|
| Other Operating Income | 113 | 276 | -163 | -59.01% |

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

3. Gross Profit

(₹ in lakhs)

| Particulars | FY 2016 - 17 | FY 2015 - 16 | Change | % of Change |
|---------------------------|--------------|--------------|--------|-------------|
| Revenue from Operations | 1,29,365 | 1,27,172 | 2,193 | 1.70% |
| Less: Cost of Consumption | 1,19,052 | 1,18,148 | 904 | 0.80% |
| Gross Profit | 10,313 | 9,024 | 1,289 | 14.28% |

Better realization of inventory in the last quarter of the year due to steep increase in gold price and better hedging of gold inventory.

4. Profit Before Taxation

(₹ in lakhs)

| Particulars | FY 2016 - 17 | FY 2015 - 16 | Change | % of Change |
|------------------------|--------------|--------------|--------|-------------|
| Profit before Taxation | 1,927 | 1,420 | 507 | 35.76% |

During the year, the company achieved profit before tax is ₹1,927 Lakhs as against net profit of ₹1,420 lakhs.

5. Profit After Taxation

(₹ in lakhs)

| Particulars | FY 2016 - 17 | FY 2015 - 16 | Change | % of Change |
|-----------------------|--------------|--------------|--------|-------------|
| Profit After Taxation | 1,395 | 1,053 | 342 | 32.49% |

For the year company achieved net profit after tax of ₹1,395 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, 2017 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 ₹13,778 Lakhs as against ₹12,382 Lakhs in the previous year.

3) Fixed Assets

Gross block of Fixed Assets is ₹ 11,454.77 Lakhs which comprises of Plant & Machinery, Furniture & Fixtures, Vehicle and Buildings of ₹ 9,176.50 Lakhs and Computer Equipment's of ₹ 2,278.27 Lakhs.

4) Inventories

Inventories amounted to ₹31,200 Lakhs as at 31st March 2017 as against ₹ 28,092 Lakhs as at the previous year end.

5) Trade Receivables

Trade Receivables amounted to ₹ 85.02 Lakhs as at 31st March 2017 as against ₹26.90 Lakhs as at 31st March 2016.

6) Cash and Cash equivalent

Cash and bank balances with banks amounts to ₹ 2,022 Lakhs as against ₹ 940 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 ₹ 1,419 Lakhs as against ₹ 941 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

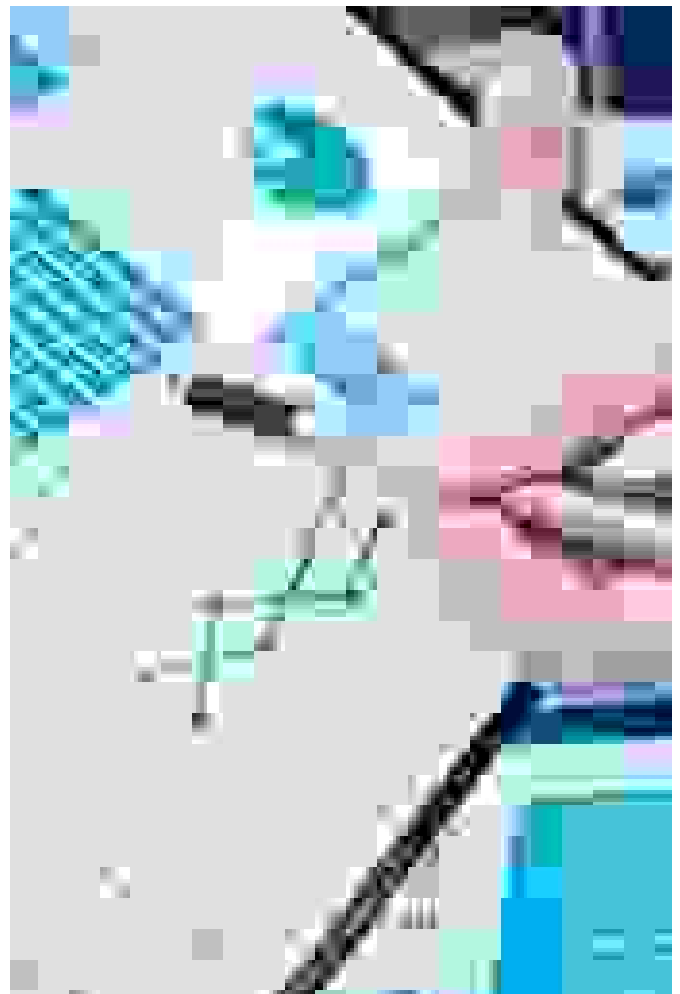
Current liabilities excluding provisions amounting to ₹25,176 Lakhs includes secured loan from banks, and Trade creditors for raw materials and creditors for advertising and promotion spends, packing materials, advance received from customers and creditors for capital purchases.

9) Working Capital

The Company has a Working Capital (including cash and bank balances) of ₹ 9,549 Lakhs as at 31st March 2017 as against ₹ 9,351 Lakhs as at 31st March 2016. The increase in working capital is on account of internal accruals and increased long term sources.

10) Debt Equity Ratio

Your Company has got Average Net Debt Equity ratio of 1.76 as at 31.3.2017 as against 1.85 as at 31.03.2016.





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 and statutory compliance.

Board Of Directors

Composition of the Board

The Company has adopted the corporate governance principles to ensure that the Board functions with utmost transparency, is independent and enables the stakeholders to take informed decisions. To this effect, steps have been taken to ensure that the Board consists of distinguished members with expertise in various fields.

The Board at TMJL is fully aware of its responsibilities to the company, to the stake holders and to the regulatory authorities and is working towards achieving utmost transparency.

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive Directors. As at March 31, 2017, 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.

Six Board meetings were held during 2016-17 and the

gap between two meetings did not exceed four months. The dates, on which the Board meetings were held, are as follows:

15 April 2016, 25 May 2016, 27 July 2016, 03rd November 2016, 9th February 2017, and 22nd March 2017.

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 27th July 2016. Composition, Status, Attendance at the Board Meetings, and the last Annual General Meeting (AGM):

| Sl. no | Name of Director | Status | No. of Board Meetings | | Attendance At the last AGM | No. of other Companies on which Director *(other than Pvt. Ltd. Companies) | No of committees **Other than Thangamayil Jewellery Limited in which member |
|--------|--|----------------------------|-----------------------|--------------------------|----------------------------|--|---|
| | | | Held during the year | Attended during the year | | | |
| 1 | Mr. Balarama Govinda Das (Chairman, Managing Director) | Promoter and Executive | 6 | 6 | Yes | - | - |
| 2 | Mr. Ba.Ramesh (Joint Managing Director) | Promoter and Executive | 6 | 6 | Yes | - | - |
| 3 | Mr. N. B. Kumar (Joint Managing Director) | Promoter and Executive | 6 | 6 | Yes | - | - |
| 4 | Mr. S. Rethinavelu | Independent Non-executive | 6 | 4 | Yes | - | - |
| 5 | Mr. Lalji Vora | Independent Non-executive | 6 | 5 | Yes | - | - |
| 6 | Mr. V.R. Muthu | Independent Non-executive | 6 | 4 | Yes | 1 | - |
| 7 | Mrs. Yamuna Vasini deva dasi | Promoter and Non-executive | 6 | 5 | Yes | - | - |
| 8 | Mr. T.R.Narayanaswamy # | Independent Non-executive | - | - | No | 1 | 1 |
| 9 | Mr. V. Ramasamy## | Independent Non-executive | 4 | 1 | Yes | - | - |

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

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

Resigned with effect from 25th May, 2016.

Appointed as an additional Director with effect from 25th May, 2016.



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

During the year, four meetings of the Audit Committee were held on 25 May 2016, 27 July 2016, 03rd November 2016 and 9th February 2017.

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 | 4 |
| Sri. Ba.Ramesh | Member | 4 | 4 |
| Sri. V.R.Muthu | Member | 4 | 4 |

The Company Secretary acts as the Secretary to the Committee.

The role of the Committee shall be as under:

- 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) Matter Included in the Director's responsibility Statement.
 - iii) Major accounting entries based on exercise of judgment by management.
 - iv) Qualifications in draft audit report.
 - v) Significant adjustments arising out of audit.
 - vi) The going concern assumption.
 - vii) Compliance with accounting standards.



viii) Compliance with stock exchange and legal requirements concerning financial Statements.

ix) 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 Statutory auditors before the audit commences nature and scope of audit as well as 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 Secretarial Auditors;

12) Reviewing reports of Secretarial audit and discussion with Secretarial 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 shall also mandatorily review 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. Internal audit reports relating to internal control weaknesses; and

4. 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 | Meetings Attended |
|---------------------|-------------|-------------------|
| Sri. S. Rethinavelu | Chairman | 4 |
| Sri. Ba.Ramesh | Member | 4 |
| Sri. V.R.Muthu | Member | 4 |

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

The terms of reference of the Remuneration Committee are:



The Remuneration Committee recommends to the board the compensation terms of the executive directors.

Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.

Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.

Ensuring the remuneration policy is good enough to attract, retain and motivate directors.

Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the company and the shareholders.

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 the Companies Act, 2013, read with Schedule V.

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 Directors' remuneration in respect of the Financial Year 2016-2017, is given below:-

(₹ in lakhs)

| Name | Designation | Remuneration – Salary up to a Maximum |
|---------------------------|-------------------------|---------------------------------------|
| Sri. Balarama Govinda Das | Managing Director | 60.00 |
| Sri.Ba.Ramesh | Joint Managing Director | 60.00 |
| Sri. N.B.Kumar | Joint Managing Director | 60.00 |

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

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

The Directors' remuneration as mentioned above consists of fixed salary component payable to them.



Particulars of Sitting Fees paid and Details of Shareholding of independent directors during the financial year 2016-17.

| Name | Sitting Fees (in ₹) | No. of equity shares held |
|-----------------------------|---------------------|---------------------------|
| Mr. S. Rethinavelu | 20,000 | - |
| Mr. Lalji Vora | 25,000 | 100 |
| Mr. V.R. Muthu | 20,000 | - |
| Mrs.Yamuna Vasini Deva Dasi | 25,000 | 20,200 |
| Mr.V Ramasamy | 5,000 | - |
| Total | 95,000 | 20,300 |

Stake Holders Grievance And Relationship Committee:

The primary role of the investor grievance committee is to:

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

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

The committee has the following members:

| Name of the person | Designation |
|---------------------------|--------------------|
| Sri. 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 2017 and no complaints were pending at the year end.

Corporate Social Responsibility (CSR) Committee

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

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

The composition of the Corporate Social Responsibility Committee as at March 31, 2017 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.

The Company has spent a sum of Rs.19.66 Lakhs towards CSR activities as mentioned in point no.24 of Board of Directors report and also at annexure 2 of the report which may kindly be referred to for more details.

Independent Directors' Meeting

During the year under review, the Independent Directors met on 09th February, 2017, inter alia, to discuss:

Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.



Evaluation of the quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Capex Committee

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

Related Party Transactions

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

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

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

Disclosures

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

Details of transactions of a material nature with any of the related parties as specified in 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, 2017, there were no ordinary or special resolutions that need to be passed by our shareholders through a postal ballot.

Means of communication to shareholders

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

Quarterly results:

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

Newspapers wherein results are normally published

The results are normally published in any one of the English newspapers viz. Business Line, The Hindu, Indian Express, and in a Tamil viz., Dinamalar, 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. These details are also disseminated in the Company's website. The Company makes use of its website for disseminating 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, the company has been submitting Share Capital Audit report every quarter duly certified by our Statutory Auditors U/R. 55A of SEBI (Depositories and Participants) Regulations 1996 eventhough it is not mandatory under SEBI (LODR) Regulations, 2015.

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, 2017, 99.95% of our shares were held in dematerialized form and the rest in physical form.



| Category | Number of Shares | % of Total Equity |
|---------------|--------------------|-------------------|
| NSDL | 1,25,72,936 | 91.64 % |
| CDSL | 11,39,646 | 8.31% |
| Physical Mode | 7,000 | 0.05% |
| Total | 1,37,19,582 | 100% |

dematerialize their 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, 2017 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.

To enable us to serve our investors better, we request shareholders whose shares are in physical mode to

Branches

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

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

Address for Investor Correspondence:

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

S.K.D.C. Consultants Limited

Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy,
Coimbatore -641 006.
Tel: 0422 -4958995
Fax: 0422 -2539837

(ii) For any query on annual report

Shri. CS.V. Vijayaraghavan
Company Secretary
Mobile :9894149200

(iii) For investors grievance & general correspondence:

companysecretary@thangamayil.com



GENERAL SHAREHOLDER INFORMATION

Request to Shareholders

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

Demat of Shares:

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

Registration of Electronic Clearing Service (ECS) Mandate:

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

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

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), enabling electronic delivery of documents including the Annual Report / Notices etc. to shareholders at their e-mail address previously registered with the Depository Participants (Dps) /Company /Registrars & Share Transfer Agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs.

Shareholders who hold shares in physical form are requested to register their e-mail addresses with M/s. SKDC Consultant at Coimbatore, by sending a letter, duly signed by the first/sole holder quoting details of Folio No. etc.,

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 |
|----------------|----------|---|
| 26th July 2017 | 11.45 AM | Tamilnadu Chamber Of Commerce & Industry, No. 178B, Kamarajar Salai, Madurai – 625 009. |

Particulars of dividend payment:

Dividend of ₹ 1/- per share for the year ended 31st March 16 amounting to a sum of ₹ 165 Lakhs including dividend distribution tax was paid.

Stock Market Data- High and Low Quotations of equity shares for 2016 - 17

| Month | Bombay Stock Exchange Limited | | National Stock Exchange of India Limited | |
|--------|-------------------------------|---------|--|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| Apr-16 | 238.00 | 185.10 | 227.00 | 183.00 |
| May-16 | 221.95 | 180.00 | 222.00 | 183.10 |
| Jun-16 | 274.00 | 210.00 | 270.00 | 205.00 |
| Jul-16 | 334.00 | 248.10 | 334.10 | 240.00 |
| Aug-16 | 315.70 | 268.85 | 314.95 | 272.60 |
| Sep-16 | 285.00 | 227.80 | 285.65 | 226.00 |
| Oct-16 | 265.00 | 235.00 | 265.00 | 219.00 |
| Nov-16 | 260.00 | 159.70 | 259.70 | 155.10 |
| Dec-16 | 189.00 | 158.40 | 189.75 | 157.05 |
| Jan-17 | 219.00 | 166.00 | 219.00 | 158.95 |
| Feb-17 | 209.90 | 179.00 | 218.70 | 178.10 |
| Mar-17 | 243.00 | 200.30 | 243.95 | 201.00 |

Financial Year: 1st April 2017 to 31st March 2018

Financial calendar (Tentative and subject to change):

| Financial Reporting for the quarter ending: | |
|---|-----------------------------------|
| 30th June 2017 | Before 12th August 2017 |
| 30th September 2017 | Before 11th November 2017 |
| 31st December 2017 | Before 14th February 2018 |
| 31st March 2018 | Between 9th May and 27th May 2018 |

Date of Book Closure 18th July 2017 to 25th July 2017 (both days inclusive)

Listing on Stock Exchanges:

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

Stock Code/Symbol:

BSE Limited Code No. 533158

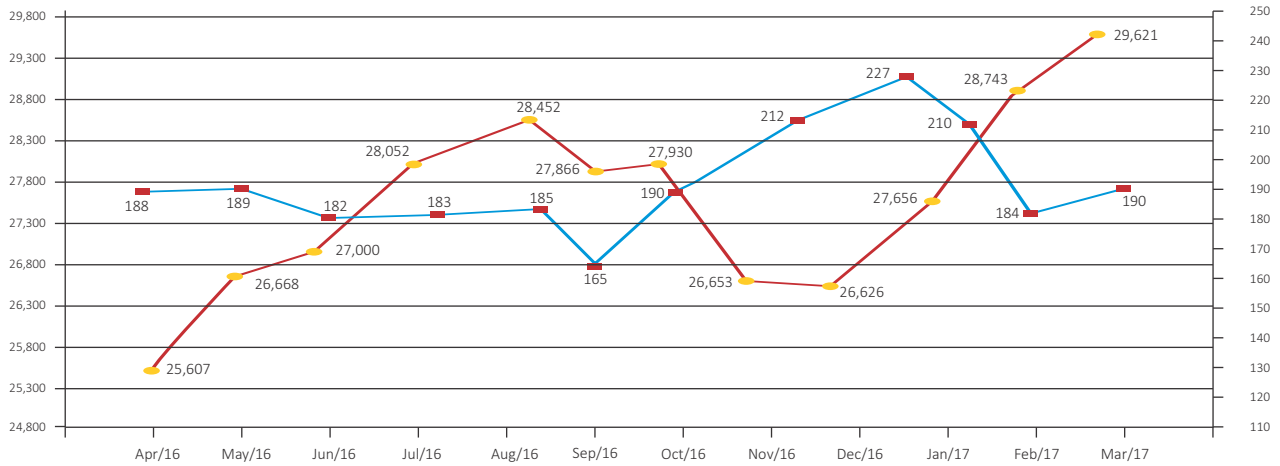
National Stock Exchange of India Limited

Symbol. THANGAMAYL



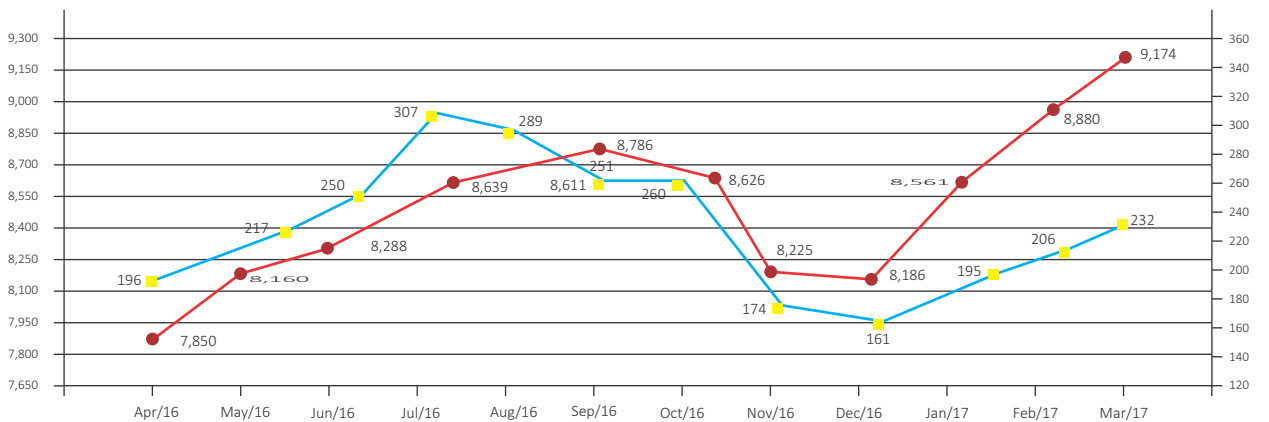
TMJL vs BSE SHARE PRICE

● BSE ■ TMJL



TMJL vs NSE SHARE PRICE

● NSE ■ TMJL



Distribution of Share Holding as on 31st March, 2017

| S.No. | Range of Shares (in ₹) | Number of share holders | No. of Shares Held | % to total Shares |
|-------|------------------------|-------------------------|--------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 |
| 1 | 1 to 5,000 | 2,446 | 214,649 | 1.56% |
| 2 | 5,001 to 10,000 | 156 | 124,834 | 0.91% |
| 3 | 10,001 to 20,000 | 116 | 166,522 | 1.21% |
| 4 | 20,001 to 30,000 | 33 | 85,585 | 0.62% |
| 5 | 30,001 to 40,000 | 14 | 49,426 | 0.36% |
| 6 | 40,001 to 50,000 | 19 | 87,189 | 0.64% |
| 7 | 50,001 to 100,000 | 41 | 298,625 | 2.18% |
| 8 | 100,001 and above | 68 | 12,692,752 | 92.52% |
| | Total | 2,893 | 13,719,582 | 100.00% |



Pattern of Share Holding as on 31st March, 2017

| Category | Category of Shareholder | Share Holding details | | | | Shares Pledged or Otherwise encumbered | |
|----------|--|-------------------------|------------------------|--|----------------|--|-----------------------|
| | | Number of share holders | Total Number of Shares | Number of shares held in dematerialized form | As a% of (A+B) | Number of Shares | As a % of (7)/(4)*100 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | |
| (1) | Indian Promoters | 14 | 96,51,195 | 96,51,195 | 70.35% | 14,06,220 | 14.57% |
| (2) | Foreign Promoters | - | - | - | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 14 | 96,51,195 | 96,51,195 | 70.35% | 14,06,220 | 14.57% |
| (B) | Public shareholding Institutions | | | | | | |
| (1) | | | | | | | |
| (a) | Indian Institutions | 3 | 9,52,000 | 9,52,000 | 6.94% | Nil | Nil |
| (b) | Foreign Institutions | - | - | - | - | - | - |
| | Sub-Total (B)(1) | 3 | 9,52,000 | 9,52,000 | 6.94% | Nil | Nil |
| (2) | Non-institutions | | | | | | |
| (a) | Bodies Corporate | 89 | 7,45,109 | 7,45,109 | 5.43% | N.A | N.A |
| (b) | Individual Share Holders | 2,747 | 23,50,959 | 23,43,959 | 17.14% | N.A | N.A |
| (c) | Individual NRI / Foreign Nationals | 40 | 20,319 | 20,319 | 0.14% | N.A | N.A |
| | Sub-Total (B)(2) | 2,876 | 31,16,387 | 31,09,387 | 22.71% | N.A | N.A |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | 2,879 | 40,68,387 | 40,61,387 | 29.65% | N.A | N.A |
| | TOTAL (A)+(B) | 2,893 | 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) | 2,893 | 1,37,19,582 | 1,37,12,582 | 100% | 14,06,220 | 10.25% |

**GENERAL BODY MEETINGS****Locations and time of General meetings**

| Date | Year | AGM | Time | Venue |
|------------|---------|------|----------|--|
| 30/07/2014 | 2013-14 | 14th | 11.45 AM | Tamilnadu Chamber of Commerce & Industry, 178B, Kamarajar Salai, Madurai – 625 009 |
| 29/07/2015 | 2014-15 | 15th | 11.45 AM | Tamilnadu Chamber of Commerce & Industry, 178B, Kamarajar Salai, Madurai – 625 009 |
| 27/07/2016 | 2015-16 | 16th | 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, 2017

| 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 | 9,47,000 | 6.90% |
| 5 | Thangamayil Gold And Diamond Private Limited | 7,01,671 | 5.11% |
| 6 | Radha Kishan S Damani | 2,44,584 | 1.78% |
| 7 | Balusamy Silvears Jewellery Private Limited | 2,25,371 | 1.64% |
| 8 | Aadi Financial Advisors LLP | 1,53,260 | 1.12% |
| 9 | Luxmi Township Limited | 150,097 | 1.07% |
| 10 | Panna Lal C Kothari HUF | 119,000 | 0.87% |



COMPLIANCE WITH NON-MANDATORY DISCLOSURES

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

The Board:

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

Remuneration Committee:

Details are given under the heading 'Remuneration Committee'.

Shareholder rights:

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

Audit qualifications:

The Company endeavours to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2017.

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



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

We have examined the compliance of condition of Corporate Governance of M/s. Thangamayil Jewellery Limited for the year ended 31st March, 2017 as stipulated in Regulation 27 of SEBI (LODR) of the Listing Agreement of the said company with Stock Exchanges.

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

We certify that:

a) We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be mis-leading;
- ii) These statements together present a true and fair view of the Company's Affairs and are in compliance with existing accounting standards, applicable law and regulations.

b) To the best of our knowledge and belief, there are no transactions entered into 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 2017 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**

Place – Madurai

Date – May 18, 2017

Balarama Govinda Das

Managing Director



AUDITORS' CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE IN THE LISTING AGREEMENT.

To

**The Members of Thangamayil Jewellery Limited,
Madurai**

We have examined the compliance of conditions of Corporate Governance by Thangamayil Jewellery Limited, Madurai – 625 001 for the year ended 31st March 2017, 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 above mentioned Listing Agreement.

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

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

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

D.Aruchamy
Partner
M.No: 219156

Place – Madurai
Date – May 18, 2017



INDEPENDENT AUDITOR'S REPORT

To the Members of Thangamayil Jewellery Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **THANGAMAYIL JEWELLERY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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; section and application of appropriate accounting policies; making Judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records , relevant to the preparation and presentation of the 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 issued by the Institute of Chartered Accountants of India, as 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on the date.

Report on Other and Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub - section (11) of the section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and.
 - g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us.
 - (i) The company has disclosed the impact of pending litigation on its financial position in its financial statement.- Refer Note 25 to the financial statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with books of accounts maintained by the company- Refer note. 40

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

Place – Madurai
Date – May 18, 2017

D.Aruchamy
Partner
M.No: 219156



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other legal and Regulatory Requirements' section of our report even date to the financial statements of the company for the year ended 31 March 2017:

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the company and no material discrepancies were noticed on such verification. In our opinion, frequency of verification is reasonable, having regard to the size of the company and nature of business.
(c) According to the information and explanation given to us, the titles deeds of immovable properties of the Company are held in the name of the Company.
- ii) (a) The inventories have been physically verified at reasonable intervals during the year by the management, including inventory given to third parties / gold smiths on job work basis. In our opinion the frequency of such verification is adequate.
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion, the company has maintained proper records of inventory. We are informed that no major discrepancies were noticed on verification between the physical stock and book records.
- iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub Clause (a), and (b) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of Loans, Investments, guarantees and security.
- v) The Company has complied with the provision of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to deposits accepted from public.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Companies Act, 2013 for maintenance of cost records in respect of Gold Ornaments and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- vii) a) According to the records provided to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31st March 2017 for a period of more than six months from the date they become payable.

b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:



| Name of the Statute | Nature of Dues | ₹ Lakhs | Period to which the amount relates | Forum where disputes is pending |
|---------------------------------|---|---------|------------------------------------|--|
| Tamil Nadu Value Added Tax 2006 | Disallowance of Input tax, disputes related classification of sale of Goods | 49.96 | 2006-07 to 2009-10 | High Court of Madras and Commissioner (Appeals) of Sales Tax |
| Customs Act , 1962 | Customs Duty | 154.00 | 2011-12 | High Court of Madras |
| Income Tax Act, 1961 | Disallowance u/s 35D | - | 2013-14 | Commissioner of Income Tax (Appeals I) |

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

ix) In our opinion, and according to the information and explanations given to us, the Company has obtained term loans during the year are applied for the purpose for which it has been sanctioned. During the year, there were no money raised by way of initial public offer or further public offer.

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

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

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

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

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

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

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

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

Chartered Accountants,

F. Reg No: 004371S

D.Aruchamy

Partner

M.No: 219156

Place – Madurai

Date – May 18, 2017



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 2017 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 2017, 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.

Place – Madurai
Date – May 18, 2017

For **B.Thiagarajan & Co.,**
Chartered Accountants,
F. Reg No: 004371S
D.Aruchamy
Partner
M.No: 219156

**BALANCE SHEET AS AT MARCH 31, 2017**

₹ in Lakhs

| PARTICULARS | Note | As at March 31, | |
|--|---------|------------------|------------------|
| | | 2017 | 2016 |
| EQUITY AND LIABILITIES | | | |
| Shareholders Funds: | | | |
| (a) Share Capital | 1 | 1,371.96 | 1,371.96 |
| (b) Reserves and Surplus | 2 | 13,777.60 | 12,382.33 |
| Sub-total -Shareholders' funds | | 15,149.55 | 13,754.29 |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 3 | 3,556.24 | 5,753.88 |
| Sub-total -Non -Current Liabilities | | 3,556.24 | 5,753.88 |
| Current Liabilities | | | |
| (a) Short-Term Borrowings | 4 | 5,881.13 | 6,999.30 |
| (b) Trade Payables | 5 | 8,795.56 | 4,486.18 |
| (c) Other Current Liabilities | 6 | 10,499.67 | 8,997.71 |
| (d) Short-Term Provisions | 7 | - | 165.13 |
| Sub-total -Current Liabilities | | 25,176.36 | 20,648.32 |
| TOTAL EQUITY AND LIABILITIES | | 43,882.16 | 40,156.48 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, Plant and Equipments | 8 | 6,889.65 | 7,237.46 |
| (b) Intangible Assets | | 343.01 | 524.32 |
| (c) Capital Work in Progress | | 73.37 | 121.76 |
| (e) Deferred Tax Assets | 9 | 763.22 | 1,295.12 |
| (e) Long-Term Loans and Advances | 10 | 1,087.22 | 978.06 |
| Sub-total - Non - Current Assets | | 9,156.48 | 10,156.71 |
| Current Assets | | | |
| (a) Inventories | 11 | 31,200.42 | 28,092.31 |
| (b) Trade Receivables | 12 | 85.02 | 26.90 |
| (c) Cash and Cash Equivalents | 13 | 2,021.66 | 939.52 |
| (d) Short-Term Loans and Advances | 14 | 19.68 | 19.70 |
| (e) Other Current Assets | 15 | 1,398.90 | 921.34 |
| Sub-total -Current Assets | | 34,725.68 | 29,999.77 |
| TOTAL - ASSETS | | 43,882.16 | 40,156.48 |
| Significant Accounting Policies | | | |
| The accompanying notes are integral part of the financial statements | 1 to 47 | | |

As per our attached report of even date attached

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

Chartered Accountants
Firm's Registration Number:0043715D.Aruchamy
Partner
M.No.219156
Date - May 18, 2017
Place - Madurai

Balarama Govinda Das

Ba. Ramesh

N.B. Kumar

Yamuna Vasini Deva Dasi

Lalji Vora

Managing Director 00266424

Jt. Managing Director 00266368

Jt. Managing Director 01511576

Director 01388187

Independent Director 01899070

S. Rethinavelu

V.R. Muthu

V. Vijayaraghavan

B. Rajeshkanna

Independent Director 00935338

Independent Director 01908841

Company Secretary

Chief Financial Officer

**Statement of Profit & Loss Account for the Year Ended March 31, 2017**

₹ in Lakhs

| PARTICULARS | Note | As at March 31, | |
|---|---------|-------------------|-------------------|
| | | 2017 | 2016 |
| I. INCOME | | | |
| Revenue from Operations | 16 | 129,364.84 | 127,171.85 |
| Other Income | 17 | 113.07 | 275.86 |
| Total Revenue | | 129,477.91 | 127,447.71 |
| II. EXPENSES | | | |
| Cost of raw materials consumed | 18 | 102,448.26 | 107,107.05 |
| Purchases of stock -in- Trade | 19 | 18,208.17 | 9,227.59 |
| Changes in Inventories of finished goods, work in progress & stock in trade | 20 | (2,138.46) | 1,219.09 |
| Manufacturing expenses | 21 | 533.91 | 593.86 |
| Employee benefit expenses | 22 | 2,630.99 | 2,426.96 |
| Finance Costs | 23 | 2,083.96 | 2,364.38 |
| Depreciation and Amortisation | 8 | 943.38 | 814.83 |
| Other expenses | 24 | 2,840.53 | 2,274.39 |
| Total Expenses | | 127,550.74 | 126,028.14 |
| III. NET PROFIT / (LOSS) BEFORE TAXATION | | 1,927.16 | 1,419.57 |
| Less: Provision for Taxation | | | |
| - Current Tax | | 415.83 | 289.43 |
| Less: MAT credit entitlement | | (415.83) | (289.43) |
| - Deferred Tax | | 531.90 | 366.43 |
| Total Tax Expenses | | 531.90 | 366.43 |
| IV. NET PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS | | 1,395.27 | 1,053.14 |
| V. PROFIT/LOSS FROM DISCONTINUING OPERATIONS | | - | - |
| VI. TAX EXPENSES OF DISCONTINUING OPERATIONS | | - | - |
| VII. PROFIT/ (LOSS) FROM DISCONTINUING OPERATIONS (after tax) | | - | - |
| VIII. NET PROFIT / (LOSS) FOR THE YEAR | | 1,395.27 | 1,053.14 |
| Basic / Diluted Earnings per Share of Rs. 10 each | | 10.17 | 7.68 |
| Significant Accounting Policies | | | |
| The accompanying notes are integral part of the financial statements | 1 to 47 | - | - |

As per our attached report of even date

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

Chartered Accountants
Firm's Registration Number:0043715**Balarama Govinda Das**

Managing Director 00266424

S. Rethinavelu

Independent Director 00935338

D.Aruchamy
Partner**Ba. Ramesh**

Jt. Managing Director 00266368

V.R. Muthu

Independent Director 01908841

M.No.219156
Date - May 18, 2017
Place - Madurai**N.B. Kumar**

Jt. Managing Director 01511576

V. Vijayaraghavan

Company Secretary

Yamuna Vasini Deva Dasi

Director 01388187

B. Rajeshkanna

Chief Financial Officer

Lalji Vora

Independent Director 01899070

**CASH FLOW STATEMENT**

₹ in Lakhs

| PARTICULARS | 2016 -17 | 2015 -16 |
|---|-----------------|-----------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before tax | 1,927.16 | 1,419.57 |
| Add/(Less) Adjustments: | | |
| Depreciation | 943.38 | 814.83 |
| Profit on Sales of Assets | (7.66) | (9.15) |
| Impairment of Assets | 21.32 | |
| Finance Charges | 2,083.96 | 2,364.38 |
| Operating Profit before Working Capital Changes | 4,968.17 | 4,589.63 |
| Adjustments for movements in: | | |
| (Increase)/decrease in Inventories | (3,108.10) | 776.28 |
| (Increase)/decrease in Trade Receivables | (58.13) | 3.46 |
| (Increase)/decrease in Loans & Advances | 20.36 | 167.17 |
| Increase/(decrease) in Current Liabilities and Provisions | 5,205.28 | 1,752.95 |
| Cash Generated from Operations | 7,027.58 | 7,289.49 |
| Taxes Paid - Payment of Direct Taxes | 607.06 | 7.82 |
| Net Cash Flow From Operating Activities | 6,420.52 | 7,281.67 |
| | [A] | |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets (Including Capital Advances) | (392.64) | (509.12) |
| Proceeds from Sales of Fixed Assets | 13.10 | 27.57 |
| Net Cash used in Investing Activities | (379.55) | (481.55) |
| | [B] | |
| CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Repayment of short term loans from Banks | 1,118.17 | 4,980.88 |
| Repayment of Fixed Deposits(Net) & Others | 1,591.58 | (1,076.14) |
| Dividend Paid (Including Corporate Dividend Tax) | 165.13 | 165.29 |
| Finance Charges Paid | 2,083.96 | 2,364.38 |
| Net Cash flow from Financing Activities | 4,958.83 | 6,434.41 |
| | [C] | |
| Net Increase / (Decrease) in Cash & Cash equivalents | 1,082.14 | 365.71 |
| | [A+B+C] | |
| Cash & Cash Equivalents at the beginning of the year | 939.52 | 573.81 |
| Cash & Cash Equivalents at the end of the year | 2,021.66 | 939.52 |
| Components of Cash and Cash equivalents at the year end | | |
| Cash on Hand | 405.27 | |
| Balances with Banks and others | 1,616.39 | |
| | 2,021.66 | 939.52 |

Notes :

- The above Cash Flow Statement has been complied from and is based on the Balance Sheet as at March 31, 2017 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 ₹ 359.51 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 2014.
- 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.

As per our attached report of even date

For B. Thiagarajan & Co.,

For Thangamayil Jewellery Limited

Chartered Accountants
Firm's Registration Number:0043715

Balarama Govinda Das

Managing Director 00266424

S. Rethinavelu

Independent Director 00935338

D.Aruchamy
Partner

Ba. Ramesh

Jt. Managing Director 00266368

V.R. Muthu

Independent Director 01908841

M.No.219156

N.B. Kumar

Jt. Managing Director 01511576

V. Vijayaraghavan

Company Secretary

Date - May 18, 2017
Place - Madurai

Yamuna Vasini Deva Dasi

Director 01388187

B. Rajeshkanna

Chief Financial Officer

Lalji Vora

Independent Director 01899070



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 confirmed 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:

| Asset Class | Useful Life of Assets |
|---------------------------------|-----------------------|
| Straight Line basis | |
| Building | 60 years |
| Plant & Machinery | 15 years |
| Furniture and Fittings | 10 years |
| Office equipment's | 15 years |
| Written Down Value basis | |
| 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

Annually 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 in the year in which such transactions were put through.

14. Gold Metal Loan

The company has an arrangement with its banker for lifting gold under metal loan terms against a limit under "price unfixed basis" and opts to fix the price for gold taken under loan within 180 days at delivery.

However, based on business expediencies the company fixes the price within 180 days, whenever the price is favorable and carried the transaction under the forward cover to be settled for payment of money on the specified date. The price difference arising out of such transactions accounted in the head of cost of sales and adjusted accordingly. The interest if any payable to

bankers on such outstanding is treated as expenses on accrual basis.

The outstanding metal loan position if any as on reporting date is marked to market and the resulting difference if any is adjusted to the notional purchase account and the value as on that date is adjusted as cost for AS – 2 Inventory valuation consideration.

15. Advertisement costs

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

16. AS 30 - Financial instruments: Recognition and Measurement

Derivative accounting: The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments and foreign currency and interest rate exposures relating to foreign currency loan.

The Company applies the hedge accounting principles set out in Accounting Standard (AS) 30 - Financial Instruments: Recognition and Measurement and has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions. All such derivative financial instruments are supported by an underlying transaction and are not for trading or speculative purposes. The use of derivative financial instruments is governed by the Company's policies approved by the board of directors, which provide written principles on the use of such instruments consistent with the Company's risk management strategy.

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



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

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

17. Taxes on Income

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

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

Deferred 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 certainty 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, | |
|---|----------------------|---------------------------|
| | 2017 | 2016 |
| 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 % Shares | | |
| (As at 31st March 2017) | | |
| 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 | 947,000 | 6.90% |
| Thangamayil Gold and Diamond Pvt Ltd., | 701,671 | 5.11% |
| (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% |
| <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 | |
|--|------------------|------------------|
| | 2017 | 2016 |
| 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 | 2,181.95 | 1,981.95 |
| Add: Transfer from Profit and Loss Account | - | 200.00 |
| | 2,181.95 | 2,181.95 |
| (c) Surplus i.e. Balance in the Statement of Profit & Loss | | |
| As per last Balance Sheet | 7,024.58 | 6,336.57 |
| Add: Profit / Loss for the year | 1,395.27 | 1,053.14 |
| Less: Appropriations | | |
| Proposed Dividend on Equity Shares | - | 137.20 |
| Corporate Tax on Dividend | - | 27.93 |
| Transfer to General Reserve | - | 200.00 |
| Net Surplus in the statement of Profit and Loss | 8,419.85 | 7,024.58 |
| Total Reserves and Surplus | 13,777.60 | 12,382.33 |
| The Board of Directors, in their meeting on 18th May, 2017, proposed a dividend of ₹2 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 26th July 2017, and if approved, would result in a cash outflow of approximately ₹ 335 lakhs inclusive of corporate dividend tax. Dividend recognized as distributions to equity shareholders for the year ended March 31, 2016 was ₹ 1 per share. (Refer Note.42) | | |
| NON CURRENT LIABILITIES | | |
| NOTE 3 - LONG TERM BORROWINGS | | |
| - Term Loan from Bank(Secured) | 496.00 | 1,250.00 |
| Term Loan from KVB secured by equitable mortgage of company land and building at Oppanakara Street , Coimbatore. 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. | | |
| The Term loan is repayable on demand and carries interest of 12.05% p.a | | |
| Other Loans and Advances | | |
| Fixed Deposits | | |
| Fixed Deposits from Public | 2,673.19 | 3,362.38 |
| Loans from Directors and Others | 351.96 | 1,116.50 |
| Hire Purchase Vehicle Loan (Vehicle Loan is secured by the respective vehicles) | 35.10 | 25.00 |
| | 3,556.24 | 5,753.88 |



NOTES FORMING PART OF ACCOUNTS

₹ in Lakhs

| Particulars | As at March 31 | |
|--|-----------------|-----------------|
| | 2017 | 2016 |
| Fixed deposit includes ₹777.25 lakhs (₹1908.39 lakhs) secured by all movable properties such as furniture & fixtures, computers, excluding plant and machinery of the company. | | |
| ₹8.25 lakhs (₹66.31 lakhs) Fixed Deposit carry interest @11% and are repayable 2 years from the respective years. | | |
| ₹ 2,310.69 lakhs (₹3296.07 lakhs) Fixed Deposit carry interest @12.5% and are repayable 3 years from the respective years | | |
| The above amount includes | | |
| Secured Borrowings | 1,308.35 | 3,183.39 |
| Unsecured Borrowings | 2,247.90 | 2,570.49 |
| | 3,556.24 | 5,753.88 |
| Current Liabilities | | |
| NOTE 4 - SHORT - TERM BORROWINGS | | |
| Secured | | |
| - Cash Credit from Banks | 3,426.51 | 6,999.30 |
| - Gold Metal Loan from Banks | 2,454.63 | - |
| The above working capital loans extended by multiple banking system are secured by a pari passu charge on stocks and book debts of the company . | | |
| The loan extended by banks are further collaterally secured by equitable mortgage of Company's properties in the case of 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 Tamilnadu Mercantile Bank property at Madurai and also further collaterally secured by properties owned by Whole time Directors and their close relatives for Karur Vysya Bank and whole time directors properties for Axis Bank. | | |
| All the above mentioned collateral securities owned by the company and by the respective whole time directors and their relatives 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 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 10.10 % to 12.5 % p.a. The Gold Metal Loan carries interest @3.35% to 3.85% p.a. | | |
| All the above loans are further secured by personal guarantee of whole time directors of the company | | |
| | 5,881.13 | 6,999.30 |
| The above amount includes | | |
| Secured Borrowings | 5,881.13 | 6,999.30 |
| Unsecured Borrowings | - | - |
| | 5,881.13 | 6,999.30 |
| NOTE 5 - TRADE PAYABLES | | |
| For Goods-Secured | 7,705.21 | 4,327.68 |
| Unsecured | 1,090.34 | 158.50 |
| | 8,795.56 | 4,486.18 |
| Secured Trade Payable | | |
| Trade Payables includes a sum of ₹6085.00 lakhs (Previous year ₹3911.66 lakhs) as Gold Metal loan availed from Bank of Nova Scotia 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.4 | | |
| Trade Payables includes a sum of ₹1620.21 lakhs (Previous year ₹416.02 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

Property, Plant & Equipments as on 31st March 2017

₹ in Lakhs

| Head Of Assets | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|--|-----------------------------|----------------------|----------------------|------------------------------|-----------------------------|---------------|------------------------|------------------------------|------------------------------|
| | Opening as on April 1, 2016 | Additions / Transfer | Deletions / Transfer | Closing as on March 31, 2017 | Opening as on April 1, 2016 | For the year | Deletions / Impairment | Closing as on March 31, 2017 | Closing as on March 31, 2016 |
| Land | 2,276.55 | - | - | 2,276.55 | - | - | - | 2,276.55 | 2,276.55 |
| Buildings | 1,188.92 | 52.33 | - | 1,241.25 | 100.87 | 18.98 | - | 1,121.40 | 1,088.05 |
| Leasehold Building | 91.31 | 12.51 | - | 103.82 | 21.49 | 1.27 | - | 81.06 | 69.82 |
| Plant & Machinery | 1204.98 | 95.87 | - | 1,300.85 | 323.75 | 86.77 | - | 890.33 | 881.23 |
| Computer Hardware | 1,158.76 | 61.35 | - | 1,220.12 | 917.92 | 159.94 | - | 142.25 | 240.84 |
| Furniture & Fittings | 3,801.31 | 119.44 | 37.48 | 3,883.28 | 1,242.61 | 411.61 | 16.16 | 2,245.21 | 2,558.70 |
| Vehicles | 338.57 | 68.86 | 36.68 | 370.74 | 216.29 | 52.84 | 31.25 | 132.85 | 122.27 |
| TOTAL | 10,060.40 | 410.37 | 74.16 | 10,396.61 | 2,822.95 | 731.42 | 47.40 | 6,889.65 | 7,237.46 |
| Intangible Assets as on 31st March 2017 | | | | | | | | | |
| Computer Software | 1,027.50 | 30.66 | - | 1,058.16 | 503.18 | 211.97 | - | 715.14 | 524.32 |
| Capital Work in Progress (Including Advances) | | | | | | | | | |
| Previous Year | 9,987.87 | 1,156.78 | 56.76 | 11,087.90 | 2,549.62 | 814.83 | 38.33 | 7,761.77 | 7,438.25 |

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 except impairment assets value of ₹ 21.33 Lakhs for renovation of existing show rooms during the year.

**NOTES FORMING PART OF ACCOUNTS**

₹ in Lakhs

| Particulars | As at March 31 | |
|---|------------------|-----------------|
| | 2017 | 2016 |
| NOTE 6- OTHER CURRENT LIABILITIES | | |
| Current Maturities on Long term Loans | 754.00 | 750.00 |
| Fixed Deposit from Public | 1,670.17 | 1,064.11 |
| Liabilities for expenses | 172.75 | 247.42 |
| Advance from Customers | 7,499.67 | 6,618.06 |
| Interest accrued but not due on Fixed Deposits | 364.12 | 271.18 |
| Unpaid Dividends | 3.92 | 3.87 |
| Liabilities for capital goods | - | 26.31 |
| Hire Purchase Vehicle Loan | 35.04 | 16.77 |
| | 10,499.67 | 8,997.71 |
| 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 ₹ 1077.48 lakhs (₹ 98.37 lakhs) secured by all movable properties such as furniture & fixtures, computers 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 |
| Provision for tax on Proposed Equity Dividend | - | 27.93 |
| | - | 165.13 |
| NOTE 9- DEFERRED TAX ASSETS | | |
| The breakup of net deferred tax assets is provided below: | | |
| Opening 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 |
| Total Deferred Tax Asset | 1,295.12 | 1,661.55 |
| Movement During the year | | |
| Related to Fixed Assets | 71.00 | 29.87 |
| Disallowance under Section 43B of Income Tax Act, 1961 | (10.86) | 58.60 |
| Unabsorbed losses | (592.03) | (454.90) |
| | (531.90) | (366.43) |
| Closing at | | |
| Related to Fixed Assets | (258.30) | (329.29) |
| Disallowance under Section 43B of Income Tax Act, 1961 | 17.88 | 28.74 |
| Unabsorbed losses | 1,003.64 | 1,595.68 |
| | 763.22 | 1,295.12 |

**NOTES FORMING PART OF ACCOUNTS**

₹ in Lakhs

| Particulars | As at March 31 | |
|---|------------------|------------------|
| | 2017 | 2016 |
| NOTE 10 - LONG TERM LOANS AND ADVANCES | | |
| Capital Advances | | |
| Unsecured, Considered good | 366.57 | 279.54 |
| 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 | 36.37 | 34.09 |
| Rental Advances - Unsecured, Considered Good | 647.75 | 627.77 |
| Deposits with Government / Statutory bodies | 36.54 | 36.66 |
| | 1,087.22 | 978.06 |
| CURRENT ASSETS | | |
| NOTE 11 - INVENTORIES | | |
| Raw Materials | 1,685.45 | 697.05 |
| Work-in-Progress | 4,022.33 | 4,748.48 |
| Finished Goods | 25,285.10 | 22,420.49 |
| Packing Materials and Gift items | 207.54 | 226.29 |
| | 31,200.42 | 28,092.31 |
| <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 | 85.02 | 26.90 |
| | 85.02 | 26.90 |
| NOTE 13 - CASH AND CASHEQUIVALENTS | | |
| Balance with Banks | 532.75 | 76.29 |
| Cheques/ Drafts on Hand | 4.31 | 0.85 |
| Cash on Hand (As certified by Management) | 405.27 | 125.32 |
| Dividend Account | 3.93 | 3.88 |
| Fixed Deposit / Margin Money Deposit under Lien | 715.89 | 604.15 |
| Deposits with original maturity less than 12 Months | 359.51 | 129.03 |
| | 2,021.66 | 939.52 |



NOTES FORMING PART OF ACCOUNTS

₹ in Lakhs

| Particulars | As at March 31 | |
|--|-------------------|-------------------|
| | 2017 | 2016 |
| NOTE 14 - SHORT TERM LOANS AND ADVANCES | | |
| Unsecured - Advances to Employees | 19.68 | 19.70 |
| | 19.68 | 19.70 |
| NOTE 15 - OTHER CURRENT ASSETS | | |
| Advance Recoverable in Cash or kind unsecured, considered good | 109.01 | 92.41 |
| Advance to Suppliers/ Expenses | 188.84 | 314.75 |
| Prepaid Expenses | 80.78 | 100.97 |
| Advance Payment of Income Tax (Net of Provisions) (Including Mat Credit Entitlement) | 1,020.27 | 413.22 |
| | 1,398.90 | 921.34 |
| NOTE 16 - REVENUE FROM OPERATIONS | | |
| Sale of Products - Gold, Silver and Diamond | | |
| Finished Goods | | |
| Less: Excise Duty | 111,584.89 | 117,849.25 |
| | 581.08 | 27.29 |
| Traded Goods | 111,003.82 | 117,821.96 |
| | 18,361.02 | 9,349.89 |
| | 129,364.84 | 127,171.85 |
| NOTE 17 - OTHER INCOME | | |
| Interest Income (TDS ₹ 7.84 lakhs (P.Y ₹ 7.82 lakhs) | 92.23 | 79.78 |
| Other Operating Income | 20.83 | 196.08 |
| | 113.07 | 275.86 |
| NOTE 18 - COST OF RAW MATERIALS CONSUMED | | |
| Opening Stock | | |
| Add: Purchases | 697.05 | 233.81 |
| | 103,436.65 | 107,570.29 |
| Less: Closing Stock | 104,133.71 | 107,804.10 |
| | 1,685.45 | 697.05 |
| | 102,448.26 | 107,107.05 |
| NOTE 19 - PURCHASE OF STOCK-IN-TRADE | | |
| Traded goods | 18,208.17 | 9,227.59 |
| | 18,208.17 | 9,227.59 |
| NOTE 20 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE | | |
| Closing Stock | | |
| Work in Progress | 4,022.33 | 4,748.48 |
| Finished Goods | 25,285.10 | 22,420.49 |
| | 29,307.43 | 27,168.97 |
| Opening Stock | | |
| Work in Progress | 4,748.48 | 296.83 |
| Finished Goods | 22,420.49 | 28,091.24 |
| | 27,168.97 | 28,388.06 |
| Increase /Decrease in Work in Progress and Finished Goods and stock in trade | (2,138.46) | 1,219.09 |
| NOTE 21 - MANUFACTURING EXPENSES | | |
| Making Charges | 489.79 | 549.95 |
| Stores and consumable | 22.77 | 23.79 |
| Manufacturing Wages | 21.34 | 20.12 |
| | 533.91 | 593.86 |



NOTES FORMING PART OF ACCOUNTS

₹ in lakhs

| Particulars | As at March 31 | |
|--|-----------------|-----------------|
| | 2017 | 2016 |
| NOTE 22 - EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and Bonus | 2,028.69 | 1,826.81 |
| Contribution to PF and Other Funds | 203.55 | 186.42 |
| Staff Welfare Expenses | 218.76 | 233.72 |
| Director's Remuneration | 180.00 | 180.00 |
| | 2,630.99 | 2,426.96 |
| NOTE 23 - FINANCE COSTS | | |
| Interest on | | |
| - Working capital Loan | 672.30 | 1,173.87 |
| - Term Loan and Others | 392.51 | 298.91 |
| - Gold Metal Loan | 185.37 | 124.09 |
| - Fixed Deposits | 556.11 | 486.67 |
| Bank Charges and Commission | 277.68 | 280.83 |
| | 2,083.96 | 2,364.38 |
| NOTE 24 - OTHER EXPENSES | | |
| Rent | 369.95 | 390.59 |
| Rates & Taxes | 70.20 | 59.45 |
| Insurance | 84.59 | 129.38 |
| Power and Fuel | 307.17 | 291.70 |
| Postage and Telephone charges | 104.53 | 102.69 |
| Advertisement and Publicity Expenses | 1,067.79 | 532.55 |
| Selling Promotional Expenses | 214.34 | 207.02 |
| Travelling Expenses | 72.65 | 72.66 |
| Director's Sitting Fees | 0.95 | 0.95 |
| Professional Charges | 80.80 | 93.32 |
| Printing and Stationery | 30.41 | 23.87 |
| Payment to Auditors | 41.20 | 38.90 |
| Repairs & Maintenance | | |
| - for Building | 12.87 | 11.02 |
| - for Vehicles and others | 195.18 | 174.86 |
| Security Charges | 112.08 | 106.65 |
| Impairment of Assets | 21.33 | - |
| Donation | 27.33 | 12.63 |
| Other Expenses | 27.15 | 26.15 |
| | 2,840.53 | 2,274.39 |
| The details of Audit Fees are as follows: | | |
| (i) Payment to Statutory Audit | | |
| Nature of Services | 2016-17 | 2015-16 |
| For Statutory Audit | 17.50 | 17.50 |
| For Tax Audit | 4.50 | 4.50 |
| For Limited Review | 14.20 | 11.90 |
| For Certification Work etc. | 5.00 | 5.00 |
| | 41.20 | 38.90 |



NOTES FORMING PART OF ACCOUNTS

25. Contingent Liabilities

a) Capital Commitments

(₹ in Lakhs)

| Description | 2016 - 17 | 2015 - 16 |
|---|-----------|-----------|
| Estimated value of Contract remaining to be executed on capital account net of advances not provided for. | 25.00 | 20.00 |

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

c) In respect of – outstanding Letter Credit given to bankers ₹ 6085.00 Lakhs (previous year ₹391 1.66 Lakhs)

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

e) The Commercial Tax office, Madurai has issued a notice for the Asst year 2006 -07 to 2012-13 on the matter of payment of Sec 12 purchase tax and others made a claim aggregating to ₹492 Lakhs .The notice is erroneous as the law permits to adjust the excess input credit available at every point of time with that of purchase tax payable. The company even after adjusting regularly the purchase tax due with the excess input credit available has also paid by remittances for balance if any. Accordingly, at no point of time, the company failed to pay purchase tax u/s 12 .

Against this frivolous notice, the company took the matter to Honourable Madras High Court, Madurai bench and obtained stay and also restrained the authorities to pass any orders without the court direction. However, commercial tax officer has not passed any order even earlier to this injunction and no action is taken for converting into orders for such notices sent by them. As the dues were already paid with thee tax input credits available, no real time liability for any further payment would be necessary. Hence, the liability if any is considered as Contingent in nature.

f) Tax demand of ₹ Nil raised by assessing officer, as per order under Section 143 (2) of the Income Tax Act 1961 due to disallowance pertaining to amortisation of Initial Public Offer (IPO) expenses under section 35D for Assessment Year 2014-15. Company is in appeal before ITAT against said order.

**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) | Balarama Govinda Das – Managing Director Ba. Ramesh – Joint Managing Director N. B. Kumar – Joint Managing Director |
| b) | Relatives of KMP | Yamuna Vasini Deva Dasi (wife of Managing Director) B. Rajeshkanna, B. Prasannan & N. B. Arun (Sons of Managing Director) B. R. Sumati (wife of Ba. Ramesh, JMD) Ba.R.Darmini (Daughter of Ba.Ramesh, JMD) S.K.Yadeenthranathan (Son-in-Law of Ba. Ramesh JMD) R. Gokul (Son of Ba. Ramesh, JMD) K. Thamarai Selvi (Wife of N. B. Kumar, JMD) K. Kishore Lal (Son of N. B. Kumar, JMD) |
| c) | Enterprises over which Key Managerial Personnel (KMP) and their relatives have substantial interest | Thangamayil Gold and Diamond Private Limited Balusamy Silvears Jewellery Private Limited |

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

Transactions with Key management personnel

(₹ in Lakhs)

| Description | 2016 - 17 | 2015 - 16 |
|--|-----------|-----------|
| 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 | 105.99 | 282.29 |
| Ba. Ramesh | 113.95 | 297.57 |
| N. B. Kumar | 135.51 | 304.14 |
| Rent Paid | | |
| Balarama Govinda Das | 34.50 | 48.80 |
| Ba. Ramesh | 2.50 | 6.00 |
| N. B. Kumar | 2.80 | 9.60 |
| Rent Advances | | |
| Balarama Govinda Das | 35.00 | 35.00 |
| Ba. Ramesh | 5.00 | 5.00 |
| N. B. Kumar | 5.00 | 5.00 |



| Description | 2016 - 17 | 2015 - 16 |
|---|-----------|-----------|
| Interest Paid/ Payable | | |
| Balarama Govinda Das | 58.21 | 34.66 |
| Ba. Ramesh | 60.10 | 38.77 |
| N. B. Kumar | 61.79 | 38.59 |
| 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 | | |
| Salary Paid | | |
| B. Rajesh Kanna | 28.80 | 15.00 |
| B. Prasannan | 15.00 | 15.00 |
| S.K.Yadeenthranathan | 24.24 | 15.00 |
| N.B. Arun | 12.00 | 12.00 |
| R.Gokul | 12.00 | 12.00 |
| Dividend Paid | | |
| B. Rajesh Kanna | 0.21 | 0.21 |
| B. Prasannan | 0.21 | 0.21 |
| K. Thamarai Selvi | 0.23 | 0.23 |
| Ba.R.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 |
| Enterprises over which KMP and their relatives have substantial interest | | |
| Advance | | |
| Thangamayil Gold and Diamond Private Limited | 25.00 | 16.00 |
| Balusamy Silvears Jewellery Private Limited | 2.00 | 2.00 |
| Dividend Paid | | |
| Thangamayil Gold and Diamond Private Limited | 7.01 | 7.01 |
| Balusamy Silvears Jewellery Private Limited | 2.25 | 2.25 |
| Interest | | |
| Thangamayil Gold and Diamond Private Limited | 2.19 | 0.51 |
| Balusamy Silvears Jewellery Private Limited | 0.63 | 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:

(₹ in Lakhs)

| | Particulars | 2016 - 17 | 2015 - 16 |
|----|---|------------|------------|
| a) | Amount used as the numerator Profit/(Loss) after tax (A) (₹ in Lakhs) | 1,395.27 | 1,053.14 |
| 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) (₹) | 10.17 | 7.68 |

28. 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

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

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

(₹ in Lakhs)

| Particulars | 2016 - 17 | 2015 - 16 |
|--|-----------|-----------|
| Employer's Contribution to Provident Fund | 118.65 | 108.27 |
| Employer's Contribution to Employees' State Insurance Scheme | 57.65 | 58.40 |

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 | 2016 - 17 | 2015 - 16 |
|---|---------------|---------------|
| Change in Obligation | | |
| 1.Obligations at the beginning of the year | 105.10 | 98.80 |
| 2.Add: Current Service Cost | 20.53 | 22.18 |
| 3.Add: Interest Cost | 8.41 | 7.76 |
| 4.Add: Actuarial (Gain)/Losses due to change in assumptions | 3.05 | (14.42) |
| 5.Less: Benefits paid | 11.73 | 9.22 |
| 6.Obligations at the end of the year | 125.36 | 105.10 |



| Particulars | 2016 - 17 | 2015 - 16 |
|--|---------------|----------------|
| Fair value of Plan Assets | | |
| 1.Fair value of Plan assets at the beginning of the year | 117.91 | 114.61 |
| 2.Add: Expected Return on Plan Assets | 10.35 | 8.95 |
| 3.Add: Actuarial Gain/(Loss) | - | - |
| 4.Add: Contribution | 18.57 | 3.56 |
| 5.Less: Benefits paid | 11.73 | -9.21 |
| 6.Fair value of Plan assets at the end of the year | 135.10 | 117.91 |
| Actual Return on Plan Assets | | |
| 1.Expected Return on Plan Assets | 10.35 | 8.95 |
| 2.Actuarial Gain/(Loss) on Plan Assets | - | - |
| Actual Return on Plan Assets | 10.35 | 8.95 |
| Amount Recognized in Balance Sheet | | |
| 1.Present value of Obligation as at March 31 | 125.36 | 105.10 |
| 2.Less: Fair value of Plan Assets as at March 31 | 135.10 | 117.91 |
| 3.Net Liability/ (Asset) recognized in the Balance Sheet | (9.74) | (12.81) |
| Expenses recognized in Profit and Loss | | |
| 1.Current Service cost as per Valuation Report | 20.53 | 22.18 |
| 2.Add: Interest cost | 8.41 | 7.76 |
| 3.Less: Expected Return on Plan Assets | 10.35 | 8.95 |
| 4.Less: Actuarial (Gain) / Loss | 3.05 | (14.42) |
| 5.Expense recognized in Profit and Loss account | 21.64 | 6.57 |
| 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 ₹ 9.74 Lakhs (Previous year ₹ 12.81 Lakhs) being the net assets recognized as per actuarial valuation of gratuity fund as per Accounting standard (AS) 15-“**Employee Benefits**”.
- b. The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- c. The assumption of future salary increase, are considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- d. Investment Details
The company made annual contributions to the Employee Group Gratuity Trust based on the actuarial valuation. The said Trust is in the process of making investment of Gratuity Fund through Life Insurance Corporation of India according to guidelines of IRDA.



30. The company accepted from third parties gold (22Ct 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 31/03/2017 is 171.22 Kgs (Previous year 110.11 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 ₹ 369.95 Lakhs (Previous year ₹ 390.59 Lakhs).

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

(₹ in Lakhs)

| Particulars | 2016 - 17 | 2015 - 16 |
|------------------------------|-----------|-----------|
| Due within one year | 355.02 | 429.96 |
| Due within one to five years | 855.16 | 1,112.23 |
| Due after five years | 584.15 | 871.87 |

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 one year | 16.77 | 15.17 |
| Due in within one to five years | 35.10 | 28.75 |

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

35. The Income tax assessments up to financial year 2013-14 were completed without any demand. The other current asset includes a sum of ₹ 1015.13 Lakhs towards MAT Credit entitlement and advance tax paid for the pending assessment years. Once, the assessments are completed in normal course, due to carry over losses of earlier years, the advance payment of taxes is refundable from the department.

36. 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 ₹ 6373.73 Lakhs (Previous year ₹ 5886.90 Lakhs) is outstanding in such scheme as on 31st March 2017. The discount if any payable in future on redemption will be treated as reduction in sales realization.

37. 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 except Impairment assets value of ₹ 21.33 Lakhs for renovation of existing show rooms during the year.

38. Deferred Tax Assets

The Company is of the view that the business environment has 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.

39. Specified Bank Notes (SBN)

Specified Bank Notes (SBN) held and transacted during the period 8-11-2016 to 30-12-2016 as provided in the Table below

(₹ in Lakhs)

| Particulars | SBNs | Other denomination notes | Total |
|---------------------------------------|--------|--------------------------|----------|
| Closing cash in hand as on 08.11.2016 | 845.64 | 27.81 | 873.45 |
| (+) Permitted receipts | - | 2,977.69 | 2,977.69 |
| (-) Permitted payments | - | 53.34 | 53.34 |
| (-) Amount deposited in Banks | 845.64 | 2,952.15 | 3,797.79 |
| Closing cash in hand as on 30.12.2016 | - | 141.13 | 141.13 |

For the purpose of this clause, the term 'Specified bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016

40. Quantitative Information For the year ended 31st March 2017

| Class of Goods | Unit | Opening Stock | Purchase/ Consumption | Sales | Closing Stock |
|------------------------------------|--------|---------------|-----------------------|-------------|---------------|
| Gold and Jewellery | Grams | 9,34,265 | 40,48,635 | 39,96,375 | 9,86,525 |
| Silver, Silver Golusu and Articles | Grams | 50,67,851 | 1,74,17,505 | 1,74,56,044 | 50,29,313 |
| Silver Articles | Pcs | 33,948 | 1,03,678 | 1,08,508 | 29,118 |
| Diamonds | Carats | 747 | 288 | 344 | 691 |
| Platinum and Precious Stones | Pcs | 598 | 117 | 171 | 544 |
| Alloy and Copper | Grams | 37,684 | 1,06,765 | - | 1,44,449 |

**For the year ended 31st March 2016**

| 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 |

41.Details of Products Sold – Broad Heads

(₹ in Lakhs)

| Particulars | 2016 - 17 | 2015 - 16 |
|----------------------------|-------------------|-------------------|
| Finished Goods Sold | | |
| Gold Ornaments | 102,135.10 | 110,939.13 |
| Silver Items | 8,868.72 | 6,910.12 |
| | 111,003.82 | 117,849.25 |
| Traded Goods Sold | | |
| Gold Ornaments | 17,769.01 | 8,938.75 |
| Diamonds | 242.75 | 130.87 |
| Silver Items | 349.26 | 280.27 |
| | 18,361.02 | 9,349.89 |

Details of Materials Consumed -Broad Heads

(₹ in Lakhs)

| Particulars | 2016 - 17 | 2015 - 16 |
|---|-------------------|-------------------|
| Details of Materials Consumed (Cost of Materials + Purchase of Stock in trade + Change in Inventory + Manufacturing Expenses) | | |
| Gold Ornaments | 112,509.79 | 112,417.50 |
| Silver Items and Diamonds | 6,542.08 | 5,730.09 |
| | 119,051.87 | 118,147.59 |

**Details of Inventory – Broad Heads**

(₹ in Lakhs)

| Particulars | 2016 - 17 | 2015 - 16 |
|----------------|------------------|------------------|
| Pure Gold | 79.86 | 341.37 |
| Gold Ornaments | 28,279.68 | 25,053.15 |
| Silver Items | 2,190.86 | 1,998.09 |
| Diamonds | 442.48 | 473.41 |
| | 30,992.88 | 27,866.02 |

42. The Board of Directors of the Company has recommended the final dividend of ₹ 2/- per share of the face value of ₹ 10/- each. The final dividend, if declared at the ensuing Annual General Meeting will result in cash outflow of ₹ 335 Lakhs.

During the previous year, the company has made a provision for the dividend declared by the Board of Directors as per requirement of pre-revised Accounting Standard 4 (AS-4) contingencies and events occurring after the balance sheet date. However as per the requirements of revised AS-4 the Company is not required to provide for dividend proposed / declared after the balance sheet date.

Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March 2017. Had the company continue with the creation of provision for the proposed dividend as at the balance sheet, its balance in surplus would have been lower by ₹335 Lakhs and short term provision would have been higher by ₹ 335 Lakhs including Dividend Distribution Tax.

43. Expenditure in Foreign Currency

| Particulars | 2016 - 17 | 2015 - 16 |
|---------------------|-----------|-----------|
| Travelling Expenses | - | 0.69 |

44. The Company has no dues to micro and small enterprises during the year ended March 2017 and March 2016.

45. In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has paid a sum of ₹ 19.66 Lakhs (Previous year ₹ Nil) towards approved CSR activities. The said amount stands debited to the "Donation and others" under the head "Other expenses"

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

47. 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
Firm's Registration Number:0043715**D.Aruchamy**
PartnerM.No.219156
Date - May 18, 2017
Place - Madurai**Balarama Govinda Das****Ba. Ramesh****N.B. Kumar****Yamuna Vasini Deva Dasi****Lalji Vora**

For Thangamayil Jewellery Limited

Managing Director

Jt. Managing Director

Jt. Managing Director

Director

Independent Director

S. Rethinavelu**V.R. Muthu****V. Vijayaraghavan****B. Rajeshkanna**

Independent Director

Independent Director

Company Secretary

Chief Financial Officer



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 17th Annual General Meeting of the company will be held on Wednesday 26th July 2017 at Tamilnadu Chamber of Commerce & Industry No: 178-B, Kamarajar salai, Madurai-625009 at 11.45 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017 and the Profit and Loss Account made up to that date along with the report of the Directors, Auditors there on.
2. To appoint a Director in place of Smt.Yamuna Vasini Deva Dasi who retires by rotation at the close of the Annual General Meeting and being eligible offers herself for re-appointment.
3. To declare a dividend on equity shares.
4. To appoint statutory auditors for the Company in place of M/s. B. Thiagarajan & Co, Chartered Accountant, Chennai whose term has come to a close with this Annual General Meeting as per the Companies Act, 2013.

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 thereunder (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 16th Annual General Meeting held on 27.07.2016 for 1 year whose term has come to an end by 24.05.2017 has been extended for another 4 years from 25.05.2017 to 24.05.2021 which is duly recommended by the Board of Directors in their meeting held on 18.05.2017, now 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 another 4 years with effect from 25.05.2017 to 24.05.2021.

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

RESOLVED THAT Pursuant to the provisions of S.196 of the Companies Act 2013, and all other applicable provisions if any, as amended up to date, consent of the shareholders of the Company be and is hereby accorded to re- appoint **SHRI BALARAMA GOVINDA DAS - MANAGING DIRECTOR** of the Company for a period of 5 years from 1st December 2017 to 30th November 2022 since the earlier resolutions passed at 12th Annual General Meeting held on 18.07.2012 wherein his term of appointment is coming to a close on 30.11.2017 and on the remuneration and other terms and conditions set out in the respective resolutions hereunder.

RESOLVED FURTHER THAT pursuant to S.197,198,199 and all other applicable provisions of the Companies Act 2013, if any, and Schedule V of the said Act as amended up to date, consent of the shareholders of the Company, be and is hereby accorded for the existing remuneration of ₹ 5 Lakhs per month to Shri.Balarama Govinda Das, Managing Director as specified under Schedule V of the Act and or any amendment that may be notified by the government for the Companies having inadequate profits / no profits with permission to the Board of Directors to increase, reduce or alter or vary the terms of remuneration and perquisites including monetary value thereof and from time to time and in such manner as the Board of Directors may deem fit so as not to exceed the remuneration limits as specified in Schedule V of the said Act or any amendment that may be notified by the government in that behalf.



Terms of Remuneration

SALARY- ₹ 5,00,000 per month

He is entitled to use Company's car for official purposes, telephone, tele-fax, and audio and video conferencing and other communication facilities at residence and these will not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling. Company's contribution to Provident Fund, superannuation Fund, Gratuity payable as per the rules of the Company and Encashment of leave at the end of the tenure shall not be included in the Computation of limits for the perquisites and allowances as aforesaid.

If in any financial year, the Company has no profit or its profits are inadequate the above remuneration is paid as the minimum remuneration subject to the provisions of Schedule V of the Companies Act, 2013.

"RESOLVED further that in the event of loss or inadequacy of profits in any financial year, the Company will pay remuneration by way of salary, allowances, perquisites and benefits as specified above, subject to obtaining requisite approvals."

"RESOLVED FURTHER that the scope and quantum of remuneration specified herein above, may be enhanced, enlarged or varied by the Board of directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and / or the rules and regulations made there under and/or such guidelines as may be announced by the Government of India from time to time."

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

RESOLVED THAT Pursuant to the provisions of S.196 of the Companies Act 2013, and all other applicable provisions if any, as amended up to date, consent of the shareholders of the Company be and is hereby accorded to re- appoint **SHRI BA RAMESH – JOINT MANAGING DIRECTOR** of the Company for a period of 5 years from 1st December 2017 to 30th November 2022 since the earlier resolutions passed at 12th Annual General Meeting held on 18.07.2012 wherein his term of appointment is coming to a close on 30.11.2017 and on the remuneration and other terms and conditions set out in the respective resolutions hereunder.

RESOLVED FURTHER THAT pursuant to S.197,198,199 and all other applicable provisions of the Companies Act 2013, if any, and Schedule V of the said Act as amended up to date, consent of the shareholders of the Company, be and is hereby accorded for the existing remuneration of ₹ 5 Lakhs per month to Shri. Ba. Ramesh, Joint Managing Director as specified under Schedule V of the Act and or any amendment that may be notified by the government for the Companies having inadequate profits / no profits with permission to the Board of Directors to increase, reduce or alter or vary the terms of remuneration and perquisites including monetary value thereof and from time to time and in such manner as the Board of Directors may deem fit so as not to exceed the remuneration limits as specified in Schedule V of the said Act or any amendment that may be notified by the government in that behalf.

Terms of Remuneration

SALARY- ₹ 5,00,000 per month

He is entitled to use Company's car for official purposes, telephone, tele-fax, and audio and video conferencing and other communication facilities at residence and these will not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling. Company's contribution to Provident Fund, superannuation Fund, Gratuity payable as per the rules of the Company and Encashment of leave at the end of the tenure shall not be included in the Computation of limits for the perquisites and allowances as aforesaid.

If in any financial year, the Company has no profit or its profits are inadequate the above remuneration is paid as the minimum remuneration subject to the provisions of Schedule V of the Companies Act, 2013.



“RESOLVED further that in the event of loss or inadequacy of profits in any financial year, the Company will pay remuneration by way of salary, allowances, perquisites and benefits as specified above, subject to obtaining requisite approvals.”

“RESOLVED FURTHER that the scope and quantum of remuneration specified herein above, may be enhanced, enlarged or varied by the Board of directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and / or the rules and regulations made there under and/or such guidelines as may be announced by the Government of India from time to time.”

8. 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 S.196 of the Companies Act 2013, and all other applicable provisions if any, as amended up to date, consent of the shareholders of the Company be and is hereby accorded to re- appoint **SHRI N.B.KUMAR – JOINT MANAGING DIRECTOR** of the Company for a period of 5 years from 1st December 2017 to 30th November 2022 since the earlier resolutions passed at 12th Annual General Meeting held on 18.07.2012 wherein his term of appointment is coming to a close on 30.11.2017 and on the remuneration and other terms and conditions set out in the respective resolutions hereunder.

RESOLVED FURTHER THAT pursuant to S.197, 198, 199 and all other applicable provisions of the Companies Act 2013, if any, and Schedule V of the said Act as amended up to date, consent of the shareholders of the Company, be and is hereby accorded for the existing remuneration of ` 5 Lakhs per month to Shri.N.B.Kumar, Joint Managing Director as specified under Schedule V of the Act and or any amendment that may be notified by the government for the Companies having inadequate profits / no profits with permission to the Board of Directors to increase, reduce or alter or vary the terms of remuneration and perquisites including monetary value thereof and from time to time and in such manner as the Board of Directors may deem fit so as not to exceed the remuneration limits as specified in Schedule V of the said Act or any amendment that may be notified by the government in that behalf.

Terms of Remuneration

SALARY- ₹ 5,00,000 per month

He is entitled to use Company's car for official purposes, telephone, tele-fax, and audio and video conferencing and other communication facilities at residence and these will not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling. Company's contribution to Provident Fund, super-annuation Fund, Gratuity payable as per the rules of the Company and Encashment of leave at the end of the tenure shall not be included in the Computation of limits for the perquisites and allowances as aforesaid.

If in any financial year, the Company has no profit or its profits are inadequate the above remuneration is paid as the minimum remuneration subject to the provisions of Schedule V of the Companies Act, 2013.

“RESOLVED further that in the event of loss or inadequacy of profits in any financial year, the Company will pay remuneration by way of salary, allowances, perquisites and benefits as specified above, subject to obtaining requisite approvals.”

“RESOLVED FURTHER that the scope and quantum of remuneration specified herein above, may be enhanced, enlarged or varied by the Board of directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and / or the rules and regulations made there under and/or such guidelines as may be announced by the Government of India from time to time.”



9) To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sec.73 and 76 of the Companies Act, 2013 read with Companies (acceptance of deposits) rules, 2014 and all other applicable provisions if any, as recommended by the Board of directors of the Company and subject to other approvals and sanctions under the Companies Act, 2013, consent of the Shareholders of the Company be and is hereby accorded to the Company to invite accept and renew deposits from the Public and Shareholders of the Company up to a sum of ₹ 53.02 Crores,(from the Public ₹ 37.87 Crores and from the Shareholders of the Company ₹ 15.15 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 31.03.2017.

RESOLVED FURTHER THAT the rate of interest for the fixed deposits be and is hereby revised for the current financial year 2017-18 as follows:

| SI.NO | Term of Deposits | Revised rate of interest (with effect from 04.08.17) | Old rate of interest |
|-------|------------------|--|----------------------|
| 1 | 1 year | 9% | 9% |
| 2 | 2 year | 9.5% | 10% |
| 3 | 3 year | 10% | 11.50% |

RESOLVED FURTHER THAT necessary formalities be and is hereby complied by the Company with regard to revision of interest rates wherever necessary under the Companies Act, 2013.

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 are 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 18, 2017

(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 hereto 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 20th July 2017 to 26th July 2017. (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 2016-17 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 2016-17 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 17th 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 23rd July 2017, 10.00 Am and ends on 25th July 2017, 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 19th July 2017, 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 | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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) | 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. <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. 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

In case of Members receiving the physical copy:

- I. (A) Please follow all steps from SI.No (I) to SI.No. (XVIII) above to cast vote.
(B) The Voting period begins 23rd July 2017, 10.00 Am and ends on 25th July 2017, 5.00 PM.. During this period Shareholders of the Company holding Shares in physical form or in dematerialized form as on the cut off date 19th July 2017 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 a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, not later than three days of conclusion of the meeting.



(B) The result shall be declared after the AGM of the Company and after submission of the report by the scrutinizer. The results declared along with the scrutinizers report shall be available for inspection and also placed on the website of the Company with in prescribed period.

(C) The notice of the Annual General Meeting and this communication are also available on the website of the Company www.thangamayil.com.

**By Order of the Board of Directors
For Thangamayil Jewellery Limited**

Place – Madurai
Date – May 18, 2017

(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 and 27 of SEBI (LODR) 2015)

| Name of the Director | Shri. Balarama Govinda Das | Shri. Ba. Ramesh | Shri. N.B. Kumar | Smt.Yamuna Vasini Deva Dasi | Shri. Mr. V.Ramasamy |
|---|---|---|--|---------------------------------------|--|
| Date of Birth | 12.04.1956 | 10.08.1960 | 05.06.1966 | 10.02.1957 | 13.01.1961 |
| Nationality | Indian | Indian | Indian | Indian | Indian |
| Date of appointment on the Board | 03.05.2001 | 03.05.2001 | 20.04.2001 | 04.02.2015 | 25.05.2016 |
| Qualification | B.Com | SSLC | SSLC | SSLC | B.Com.,FCS |
| Experience in functional areas | 40 Years | 35 Years | 30 Years | - | Around 30 years of working experience in Government and Corporate sector |
| Number of Shares held in the company | 28,57,329 | 28,81,603 | 28,41,451 | 20200 | - |
| List of Directorships held in other Companies | - | Thangamayil Gold & Diamond Pvt Ltd., | Thangamayil Gold & Diamond Pvt Ltd., | Balusamy Silvears Jewellery Pvt Ltd., | Dhruv Deal Com Pvt Ltd., Atlantic suppliers Pvt Ltd., |
| Chairman/Member in the Committees of the Boards of Companies in which he is a Director# | Chairman : CSR Committee Member: Stake Holders Grievances and Relationship committee | Member: Audit Committee, Stake Holders Grievances and Relationship committee, CSR Committee | Member: Stake Holders Grievances and Relationship committee, CSR Committee | - | - |

#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 18, 2017

(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)

The present statutory auditors M/S. B. Thiagarajan & Co, Chartered Accountants, Chennai (Firm reg.no. 004371S) have completed their tenure as per the Companies Act, 2013 and hence New statutory auditors of the Company have to be appointed from this Annual General Meeting onwards. The Company therefore discussed the matter in their Board meeting held on 18.05.2017 and based on the profiles received, the Board has decided on merits and qualification and experience M/S.Srinivas and Padmanabhan, Chartered Accountants, Chennai (Firm reg.No.004021S) as statutory auditors for the Company to be appointed in this Annual General Meeting for 5 years to hold office from one Annual General Meeting to another Annual General Meeting to be ratified by the shareholders in terms of the provisions of the Companies Act, 2013.

In view of the above, the Board of Directors recommends appointment of M/S.Srinivas and Padmanabhan, (Firm reg.No.004021S) 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 Annual General Meeting held on 27.07.2016 to hold office till 24.05.2017. Therefore it is necessary to reappoint him as an Independent Director and hence the Board after considering the matter and since the Board of Directors felt that his continuance would be of much beneficial and useful to the Company because of his professional background the Board has considered the above facts and has re-appointed him as an Independent Director for another 4 years from 25.05.2017 to 24.05.2021 in their meeting held on 18.05.2017.

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 four years upto 24.05.2021, 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 thereunder 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 for reappointment 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) Regulations, 2015(Clause 49) of the Listing agreement with the Stock Exchanges.

**ITEM NO.6**

Mr.Balarama Govinda Das is the Chairman and Managing Director of the Company since inception actively guiding the board members in all aspects of the Company's activities. He has been instrumental in the Company's growth over the years and the efforts taken by him has turned around the Company as a leading jewellery manufacturer and retailer in the south in Tamilnadu.

His appointment as Managing Director of the Company is valid till 30.11.2017 and hence it is necessary to reappoint him for another 5 years from 01.12.2017 to 30.11.2022. Hence the Board of Directors recommend the above said resolutions for your approval.

The remuneration drawn by him presently is as per the resolutions passed at 14th Annual General Meeting held on 30.07.2014 in terms of the Companies Act, 2013 read with Schedule V of the Act. Therefore the Board felt the need to approve the Remuneration also afresh. Accordingly the board considered the matter in its meeting held on 18.05.2017 and has recommended a sum of ₹ 5 Lakhs to be paid as remuneration per month as per the resolution placed before you. The Board of Directors recommends the resolution for your approval. The Board has taken into account the recommendation of Nomination and Remuneration Committee and Audit committee while recommending the resolution.

Memorandum of Interest:

None of the Directors and key managerial personnel of the Company and their relatives is concerned or interested financial or otherwise except Mr.Balarama Govinda Das, Mr.Ba.Ramesh,Mr.N.B.Kumar, Smt.Yamuna Vasini Deva Dasi and Mr. B.Rajeshkanna, CFO are deemed to be interested in the resolution.

ITEM NO.7

Mr.Ba.Ramesh is the Joint Managing Director of the Company since inception actively guiding the board members in all aspects of the Company's activities. He has been instrumental in the development of various activities of the Company and has contributed for the overall growth of the Company.

His appointment as Joint Managing Director of the Company is valid till 30.11.2017 and hence it is necessary to reappoint him for another 5 years from 01.12.2017 to 30.11.2022. Hence the Board of Directors recommend the above said resolutions for your approval.

The remuneration drawn by him presently is as per the resolutions passed at 14th Annual General Meeting held on 30.07.2014 in terms of the Companies Act, 2013 read with Schedule V of the Act. Therefore the Board felt the need to approve the Remuneration also afresh. Accordingly the board considered the matter in its meeting held on 18.05.2017 and has recommended a sum of ₹ 5 Lakhs to be paid as remuneration per month as per the resolution placed before you. The Board of Directors recommends the resolution for your approval. The Board has taken into account the recommendation of Nomination and Remuneration Committee and Audit committee while recommending the resolution.

Memorandum of Interest:

None of the Directors and key managerial personnel of the Company and their relatives is concerned or interested financial or otherwise except Mr.Ba.Ramesh, Mr.Balarama Govinda Das, Mr.N.B.Kumar, Smt.Yamuna Vasini Deva Dasi and Mr. B.Rajeshkanna, CFO are deemed to be interested in the resolution.

**ITEM NO.8**

Mr.N.B.Kumar is the Joint Managing Director of the Company since inception actively guiding the board members in all aspects of the Company's activities. He has been instrumental in the development of various activities of the Company and has contributed for the overall growth of the Company.

His appointment as Joint Managing Director of the Company is valid till 30.11.2017 and hence it is necessary to reappoint him for another 5 years from 01.12.2017 to 30.11.2022. Hence the Board of Directors recommend the above said resolutions for your approval.

The remuneration drawn by him presently is as per the resolutions passed at 14th Annual General Meeting held on 30.07.2014 in terms of the Companies Act, 2013 read with Schedule V of the Act. Therefore the Board felt the need to approve the Remuneration also afresh. Accordingly the board considered the matter in its meeting held on 18.05.2017 and has recommended a sum of ₹ 5 Lakhs to be paid as remuneration per month as per the resolution placed before you. The Board of Directors recommends the resolution for your approval. The Board has taken into account the recommendation of Nomination and Remuneration Committee and Audit committee while recommending the resolution.

Memorandum of Interest:

None of the Directors and key managerial personnel of the Company and their relatives is concerned or interested financial or otherwise except Mr. N.B.Kumar, Mr.Balarama Govinda Das, Mr.Ba.Ramesh, Smt.Yamuna Vasini Deva Dasi and Mr. B.Rajeshkanna, CFO are deemed to be interested in the resolution.

ITEM NO.9

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. 2014 onwards.

As an eligible Company under the act for acceptance of public deposits from public since we are fulfilling the criteria of networth of ₹ 100 crores or more and turnover of ₹ 500 crores or more as prescribed for the eligible public Companies under the act., 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 financial or otherwise in this resolution.

By Order of the Board of Directors
For Thangamayil Jewellery Limited

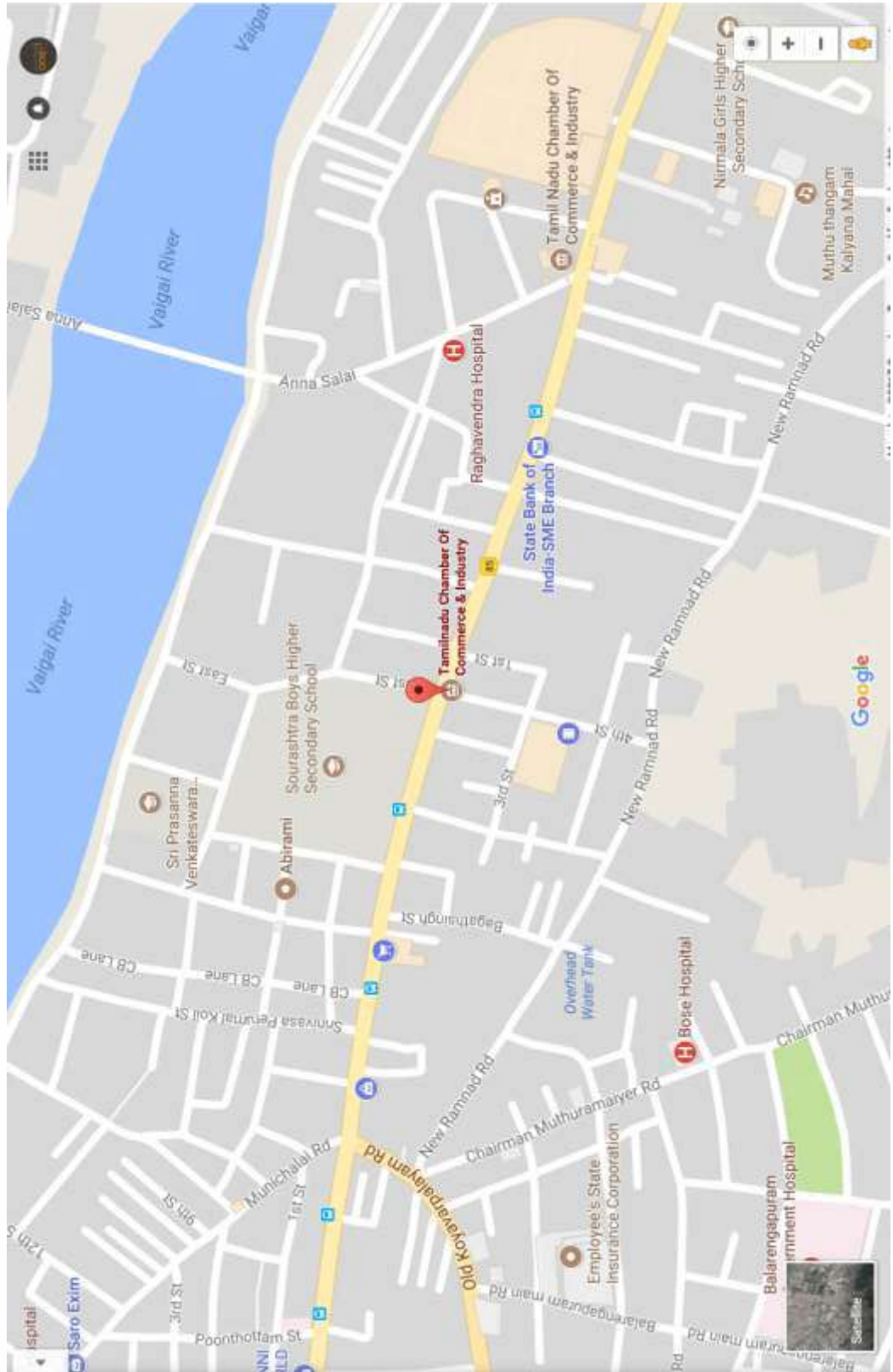
Place – Madurai
Date – May 18, 2017

(CS.V.Vijayaraghavan)
Company Secretary



Route Map to the AGM Venue

Tamilnadu Chamber of Commerce & Industry
178B - Kamarajar Salai, Madurai - 625 009



ATTENDANCE SLIP



THANGAMAYIL JEWELLERY LIMITED

Registered Office: No. 124, Nethaji Road, Madurai - 625001. (CIN-L36911TN2000PLC044514)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint share holders 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 17th ANNUAL GENERAL MEETING of the Company held on Wednesday, 26th July, 2017 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 - 625001. (CIN-L36911TN2000PLC044514)

| | | | |
|---|--|---|--|
| Name of the member(s): Registered address: | | E-mail Id: Folio / DP ID-Client ID No. | |
|---|--|---|--|

I/We being the member(s) of shares of the above named Company hereby appoint:

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Wednesday, 26th July, 2017 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 31.03.2017 & the Profit & Loss account along with report of Directors, Auditors & Secretarial auditor thereon. | | |
| 2. To appoint a Director in place of Smt. Yamuna Vasini Deva Dasi who retires by rotation and being eligible offers herself for re-appointment. | | |
| 3. To declare a dividend on equity shares | | |
| 4. To appoint Statutory Auditors | | |

| Resolutions | For | Against |
|---|-----|---------|
| 5. To re-appoint Shri.V. Ramasvamy as an Independent Director | | |
| 6. To re-appoint Shri. Balarama Govinda Das as Managing Director and fix his remuneration | | |
| 7. To re-appoint Shri. Ba. Ramesh as Joint Managing Director and fix his remuneration | | |
| 8. To re-appoint Shri. N.B. Kumar as Joint Managing Director and fix his remuneration | | |
| 9. To give consent for acceptance of deposits u/s.73 & 76 of the Companies Act, 2013 | | |

Signature this.....day of.....2017

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 17th 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