

Hare Krishna



THANGAMAYIL JEWELLERY LIMITED[®]

2017-18

18TH

ANNUAL
REPORT



BOARD OF DIRECTORS



Ba. Ramesh
Joint Managing Director



Balarama Govinda Das
Chairman and 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 Deva Dasi
Non Executive Director



CS. V. Vijayaraghavan
Company Secretary



B. Rajeshkanna
Chief Financial Officer

REGISTRAR AND TRANSFER AGENT

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

AUDITORS

Srinivas & Padmanabhan
Chartered Accountants
Chennai

SECRETARIAL AUDITOR

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

BANKERS

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

REGISTERED OFFICE

No.124, Nethaji Road
Madurai - 625 001.

CORPORATE OFFICE

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



CONTENTS

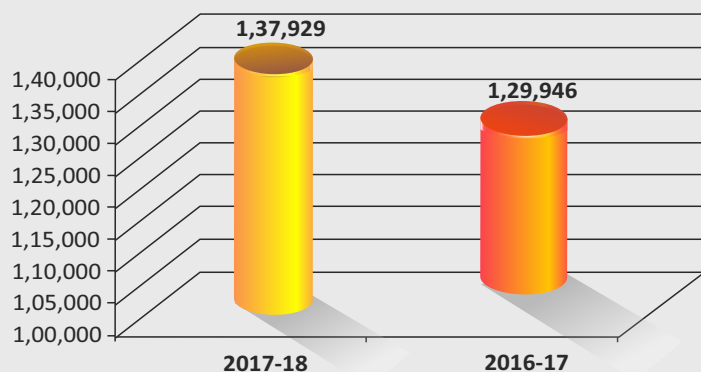
Chairman's Letter	05
Director's Report	07
Secretarial Audit Report	41
Management Discussion & Analysis	44
Independent Auditor's Report	71
Financial Statement	77
Notice to the Shareholders	111
Route Map to the AGM Venue	120
Proxy/Attendance Slip	

Annual General Meeting

Date: 1st August 2018

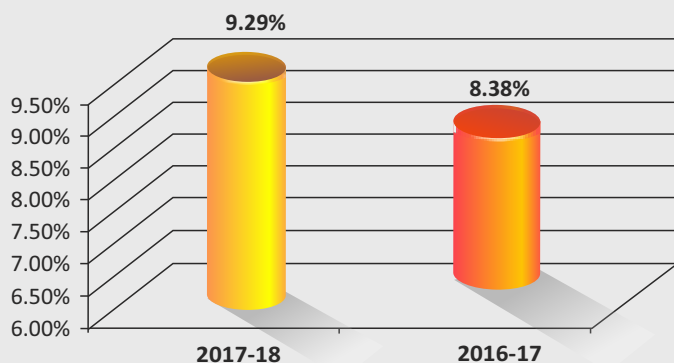
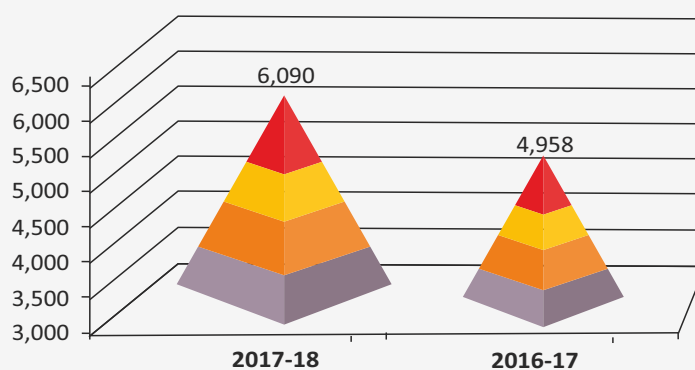
Time: 11.45 am

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



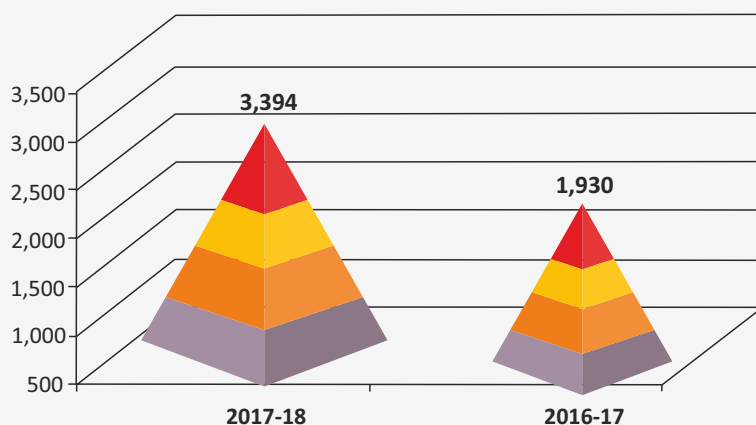
◀ SALES IN LAKHS

EBITDA IN LAKHS ▶



◀ GP MARGIN IN %

PBT IN LAKHS ▶





FOUR YEARS REVIEW OF FINANCIALS					₹. (In lakhs)
Year Ended 31st March		2017-18	2016-17	2015-16	2014-15
1	Sales	1,37,929	1,29,946	1,27,172	1,42,126
2	Other Income	155	113	276	157
3	Cost of materials	1,25,111	1,19,052	1,18,148	1,36,956
4	Salaries, Wages and Bonus	3,197	2,628	2,427	2,134
5	Other Expenses	3,686	3,422	2,274	2,752
6	Interest and financial expenses	1,879	2,084	2,364	2,914
7	Depreciation	817	943	815	826
8	Tax expenses	1,106	533	366	(1,070)
9	Profit/(Loss) after Tax	2,287	1,397	1,053	(2,228)
10	Other comprehensive income (Net)	-13	-2	-	-
11	Total comprehensive income for the year	2,274	1,395	1,053	(2,228)
12	Non Current Assets - Net Block	7,507	7,306	7,884	8,208
13	Deferred Tax Assets	-	547	1,079	1,662
14	Long Term Loans and Advances	1,018	1,087	978	1,049
15	Current Assets	52,535	34,726	30,000	30,502
16	TOTAL ASSETS	61,060	43,666	39,941	41,420
17	Share Capital	1,372	1,372	1,372	1,372
18	Other Equity	15,501	13,562	12,332	11,494
19	Long Term Borrowings	3,062	3,556	5,754	5,029
20	Deferred Tax Liability	159	-	-	-
21	Current Liabilities	40,966	25,176	20,483	23,525
22	TOTAL EQUITY & LIABILITIES	61,060	43,666	39,941	41,420

**Key Financial Highlights - Performance at a Glance**

Year Ended 31st March	2017-18	2016-17	2015-16	2014-15
Sales and Income (₹ in lakhs)	1,38,085	1,30,059	1,27,448	1,42,283
EBIDTA Profits (₹ in lakhs)	6,090	4,958	4,599	441
Profit before tax (₹ in lakhs)	3,394	1,930	1,420	-3,298
Profit after tax (₹ in lakhs)	2,274	1,395	1,053	-2,228
Net worth Adjusted (₹ in lakhs)	16,873	14,934	13,704	12,866
Equity Capital (₹ in lakhs)	1,372	1,372	1,372	1,372
Book value per share (₹)	123	109	100	94
Dividend Paid (Incl. DDT) (₹ in lakhs)	335	165	165	161
Total outside Liabilities Adjusted (₹ in lakhs)	40,840	26,711	25,463	27,980
No of Branches in Lease Property	27	26	26	25
No of branches in Own Property	5	5	5	5

Source and Utilisation of Funds

	Year Ended 31st March	2017-18	2016-17	2015-16	2014-15
1	Source of Funds Funds Generated from operation (a) Profit after Taxes (net profit before tax minus tax outflow)	2,723	1,320	1,412	-3,305
	(b) Depreciation	817	943	815	826
	(c) Other Income and Adjustments	46	14	-10	-
	Total	3,585	2,277	2,217	-2,479
2	Net (Increase) / Decrease in Working Capital	-11,778	1,583	2,335	8,895
	Total	-8,193	3,860	4,552	6,416
3	Utilisation of Funds Capital Expenditure	1,063	380	482	333
4	Dividends pay out including DDT	335	165	165	161
5	Bank deposits not considered as cash and cash equivalents (net)	-	-	-	-
6	Net (Increase)/ Decrease in Borrowings	-9,592	3,316	3,905	5,922
	Total	-8,193	3,860	4,552	6,416



Critical Performance Indicators

₹. (In lakhs)

S.No	Description	2017-18	2016-17	2015-16	2014-15
1	Operating Profit Margin in %	9.29%	8.38%	7.10%	3.64%
2	EBITDA Margin in %	4.41%	3.81%	3.61%	0.31%
3	Cost of Bank Borrowings	6.33%	8.92%	11.82%	14.00%
4	Earning per share (face value of Rs.10 each)	16.58	10.17	7.68	-16.24
5	Return on Equity in %	13.48%	9.34%	7.69%	-17.32%
6	Growth in PBT on Incremental Turnover	17.66%	14.28%	37%	-
7	Gold Metal Hedging Vs Fixed Price Ratio	65:35	50:50	44:56	20:80
8	Salaries Cost % on Turnover	2.32%	2.01%	1.91%	1.50%
9	Interest cost % on turnover	1.36%	1.60%	1.86%	2.05%
10	Other Expenses % on Turnover	2.62%	2.62%	1.79%	1.94%
11	Profit before tax Margin as a % on Turnover	2.50%	1.48%	1.11%	-2.32%
12	Growth in Book Value (YOY) as a %	14%	8%	7%	-16%
13	PE ratio (Based on 31st March 2018) Market Rate	29.44	22.77	25.40	-



The background of the page features a faint, stylized image of a modern skyscraper with a grid-like facade. A man, presumably the Chairman, is positioned in the upper left, smiling and wearing a white button-down shirt. He is standing behind a large, solid dark red rectangular block that serves as a backdrop for the text.

Chairman's LETTER

Dear Shareholders,

It gives me great pleasure to place before you, the financial statements for the year ended 31st March 2018. Your Company could generate an EBITDA profit of ₹ 6090 lakhs for the year 2017-18 as against an EBITDA profit of ₹ 4958 lakhs in the previous year. The incremental profits was made possible due to better realisation in this year and also due to contribution made by diamond and other value added products.

The year started with better gold price and the trend continued to be stable with a mild positive bias on price movement throughout the year. A small set back was caused by introduction of GST in the July 2017 sales but later on the tempo in sales was maintained for the rest of the year. The monsoon in the areas we operate though better it could not generate above average sales as the rural income could not improve as expected. The turnover was at ₹ 1379 Crores as against ₹ 1299 Crores in the previous year resulting in a moderate growth of 6% only.

Going forward, the current year 18-19 looks promising for the following reasons. The monsoon prediction is normal for the southern districts of Tamilnadu. Gold price tends to behave within a range thereby facilitating a normal off take of jewellery. The Company started to improve its Diamond sales that would marginally contribute to the bottom line.

Due to strict regulatory rules implementation by various Government Authorities including lenders the shift of business from unorganized to organized set up would significantly improve in the years to come. Due to our initiatives to broad base the size of the outlets and also by increased inventory stocking we are confident that the turnover would improve in the normal course.



Apart from the above structural issues having a bearing on performance your Company has taken the following new initiatives to improve the turnover and profits in the current on-going year.

- a) Relaunching of all the remaining branches one by one. The entire exercise began in later part of 17-18 and will be completed by end of March 2019;
- b) Strive to increase the market share by exploring “Brand Equity” built over a time;
- c) Continued thrust on increasing sizably our own manufacturing of major items;
- d) A paradigm shift had been taken place in promotional activities;
- e) “Existing staff incentive system” will result in incremental turnover;

In continuation of our objective of improving the gross profit margin for the year ended the company obtained margin of 9.29 % as against 8.38% in the last year. Your company has already embarked strategies to review cost aspects in every area of conduct of business that would ensure an improvement with the overall performance.

As indicated in my last year letter, we could not continue with “TMJL plus” concept as the expected benefits could not be realised in our Tiruppuvanam outlet. However, we are striving to make it economically viable units by incorporating certain modifications in the business plan and may soon launch one or two modified version in the areas already selected.

As things stand today, in spite of adverse factors shadowing the integrity of the trade as such your Company is confident of achieving atleast 12% top line growth in the year 18-19. The current blend of bank borrowing, customer advances & our own resources is working out well and it’s our endeavour to continue with the same strategy in future as well.

Taking into consideration our financial performance for the year 17-18 and with a view to conserve resources for the furtherance of the business interests your Board has recommended for a dividend payment of 35% (₹3.50 per share (face value ₹ 10) for your approval as against 20% (₹2.00 per share) of last year.

Before I conclude, I would like to place on record my heartfelt gratitude to all our employees. Thanks are also due to our bankers under multiple banking system and to all our beloved shareholders who have extended their support, informed feedback and advice.

Looking forward for a rewarding 18-19.

With warm regards,
For Thangamayil Jewellery Limited,

BALARAMA GOVINDA DAS
Chairman Cum Managing Director

Place – Madurai
Date – May 25, 2018

**TO THE MEMBERS OF THANGAMAYIL JEWELLERY LIMITED**

The Directors are pleased to present the 18th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2018.

1. FINANCIAL RESULTS:

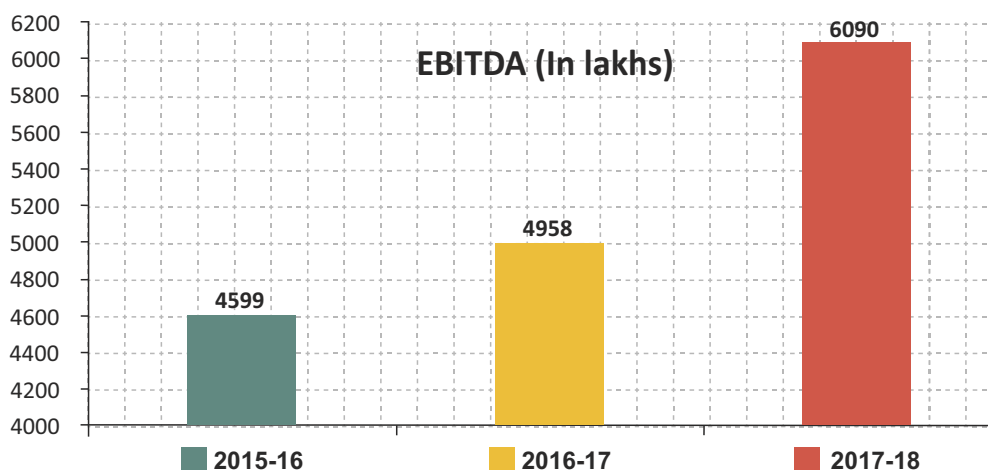
Pursuant to the notification dated February 16, 2015 issued by the Ministry of corporate affairs, the company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Financial statements for the year ended and as at March 31, 2017, have been restated to conform to Ind AS.

₹. (In lakhs)

Particulars	2017-2018	2016-2017
Sales	1,37,929	1,29,946
Gross Profit	12,818	10,894
Earnings before Interest, Depreciation and Taxation (EBITDA)	6,090	4,958
Finance Cost	1,879	2,084
Depreciation	817	943
Profit Before Tax (PBT)	3,394	1,930
Tax	1,106	533
Profit After Tax (PAT)	2,287	1,397
Other comprehensive income	(13)	(2)
Total comprehensive income for the year, net of tax	2,274	1,395

On a turnover of ₹137,929 lakhs for the year, the Company made an operating profit of ₹ 12,818 lakhs against ₹ 10,894 lakhs made in last year. It represents 18% increase over the last year.

The better results are due to stable gold price realisation and also due to better marketing initiatives under taken by the management. The company could perform better due to margin expansion resulted on account of better product mix sales. It is also marginally attributable to better volume of diamond ornaments on a comparable basis with last year.

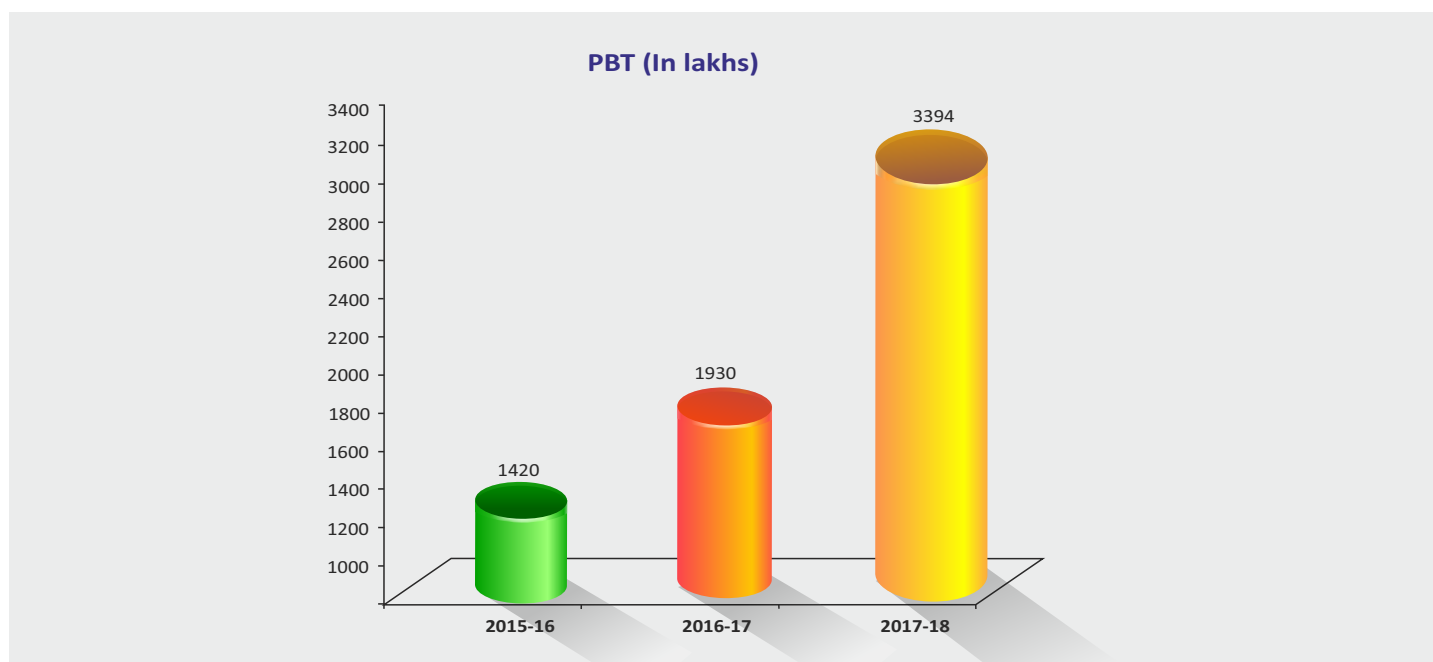




You may notice that our top line growth over a period of four years remains in a narrow band. However, due to various initiatives taken by the management the value addition to the products sold continuously improved from 3.75% in 2015 to 9.30% in 2018 resulting in the gross profit growth of 150% in the four years period.

Your management is continuously focusing on bottom line growth more than proportionately that of turnover growth and believes on the importance of areas of value creation by optimally exploring all the resources at its disposal. While, we plan to push the top line by enlarging market share of the business moderately, your management also strives to maintain the pricing power in a crowded place of competitive environment. The company consciously decided not to expand branches in haste and strategically played on the brand visibility created over two decades of operations by enlarging the size and inventory of the existing branches one by one for getting improved results.

You may find from the financials that our size of Balance sheet significantly increased in 17-18 and the fruits of the enlarged Balance sheet would be positively felt in the year to come. To achieve results, going forward a business plan will be implemented with a better product mix, diamond sales promotion, capital productivity improvement and retention of scale of economy to attain improved operating margin.

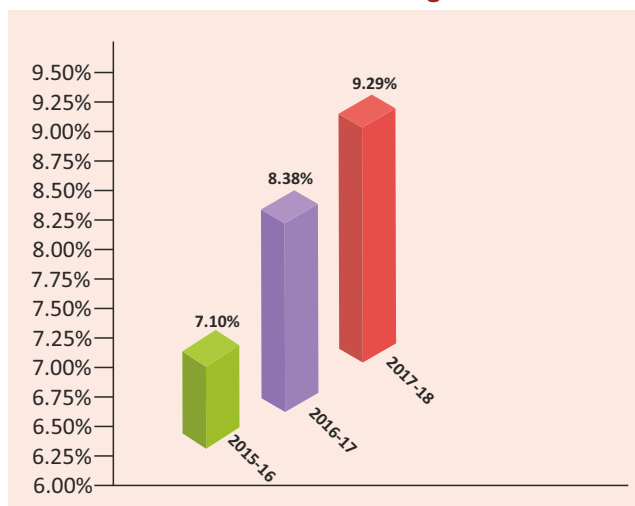
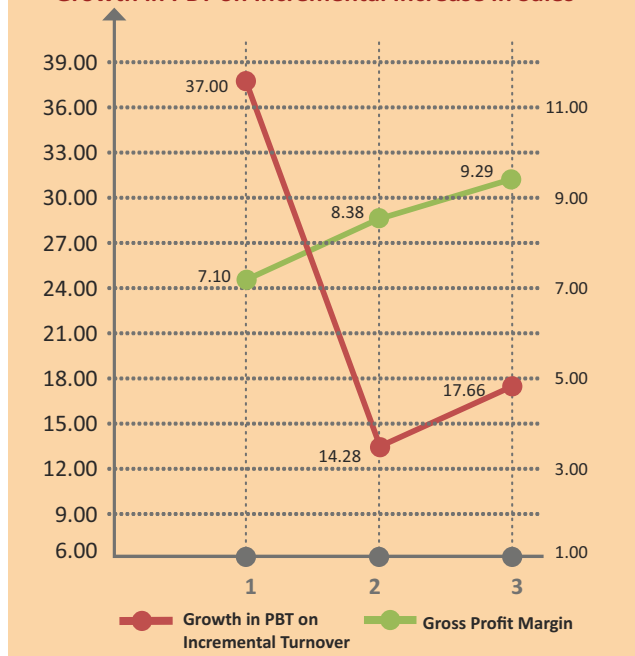


The major reasons for better bottom line performance are summarized hereunder;

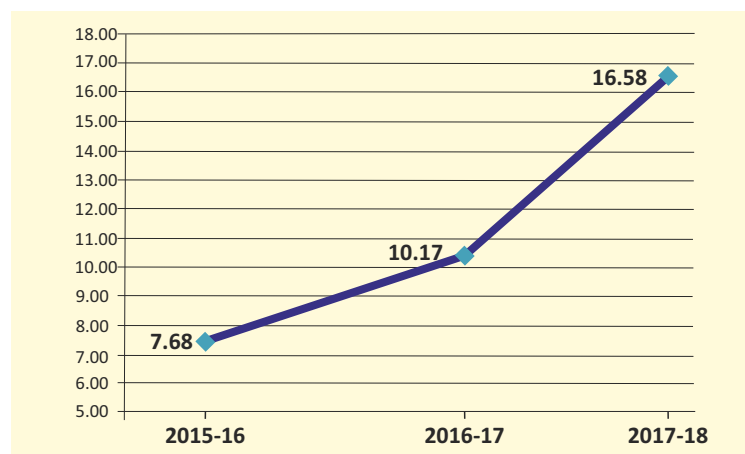
- ✦ Stable gold price realisation throughout the year.
- ✦ Paradigm shift taken place in marketing & promotional initiatives.
- ✦ Improved production from own manufacturing units.
- ✦ Higher level of metal loan resultant in interest savings.
- ✦ Relaunching of old branches with a view to get facelift and better visibility of brand.
- ✦ Better contribution from diamond sales.
- ✦ Change in product mix to get optimum result on inventory management.

**2. KEY STRATEGIES ADOPTED BY THE MANAGEMENT**

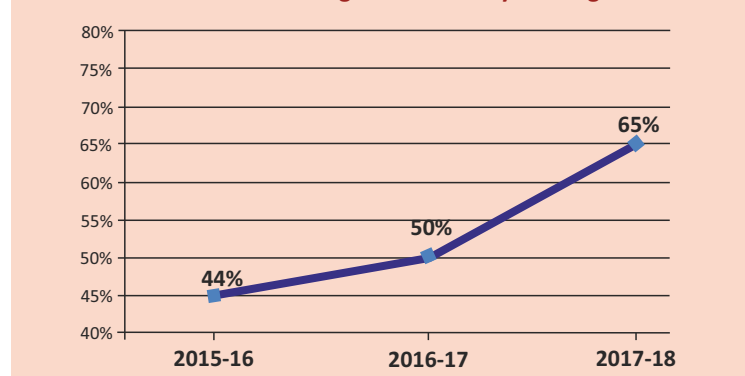
- ✦ Savings in making cost of jewellery due to change in procurement plan.
- ✦ Cost of finance and promotional expenses were relatively reduced.
- ✦ The commitments of carrying “Right product for Right Market” that resulted in sales growth.
- ✦ Improvement in “same store” growth in turnover
- ✦ Planned improvement in gross profit margin by optimizing all resources of the Company.

Gross Profit Margin**Growth in PBT on Incremental Increase in Sales****3. DIVIDEND**

The Board of Directors of the Company are pleased to recommend a dividend of ₹3.50/- (35%) per equity share for 2017-18 (₹2 in 2016-17) on 1,37,19,582 equity shares of ₹10 each. The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting of the company will result in cash outflow of ₹579 lakhs including Dividend Distribution tax there on.

Earning Per Share**4. HEDGING**

The company started availing more loan under metal loan category. It acted as a natural hedge for the fluctuations in the gold price movement. Currently, the hedge ratio is around 65:35 as against 50% of the last year. The increase in “Hedging” proportion for the current year augers well for the company. It is our endeavour to take in to 75:25 in future. Some portion of gold under own purchases is a necessity as sudden escalation in gold price often results in liquidity mismatch due to increase in margin calls. Based on our experience and the current gold price movement trend we are of the opinion that the ratio at the most can go up to 75:25 in the overall business / operational interest of the company.

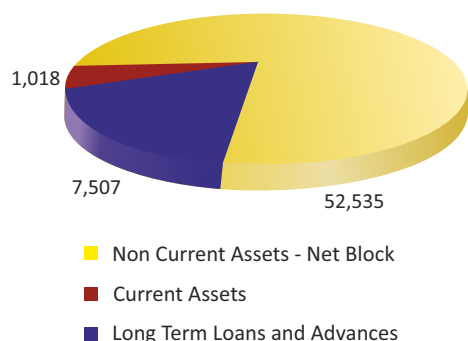
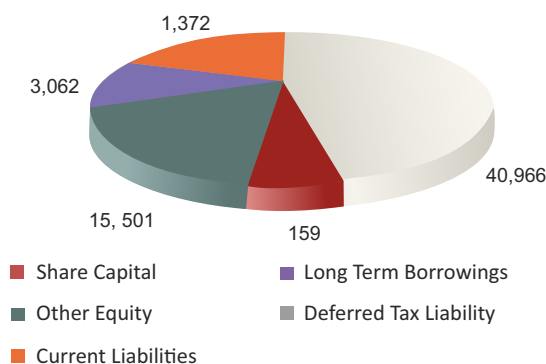
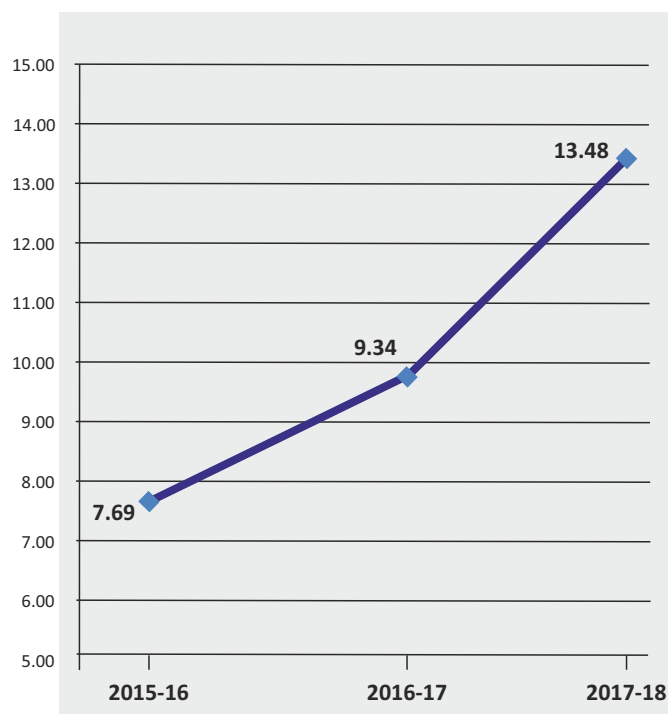
Gold Metal Hedged in Inventory Holding

**5. CONTINUING CHALLENGES**

- ✦ Frequent failure of gold companies to meet their liabilities in the recent past makes the industry to suffer for credit entitlements from Banks;
- ✦ Exceptional regulatory mechanism placed by the Government on the industry;
- ✦ Current account gap in trade perhaps as in the past, may bring restrictions in the gold import by the Government.
- ✦ Possible restrictions on gold retail industry in taking customer advances for future delivery post passing of regulatory bill by the parliament.
- ✦ Highly fluctuating gold price movement necessitate both on account of incremental gold price and also on account of INR-US\$ currency behaviour;
- ✦ Enlarged risks associated with bank credit exposure to the industry may compel a reduction in credit rating by the credit rating agencies;
- ✦ Monsoon failures, structural changes witnessed in the saving / spending habits of the people, escalation in the minimum wage Act and Income tax regulatory constraints may cumulatively affect the growth and operations of the industry.

6. FUTURE PROSPECTS

- ✦ Due to strict implementation of regulatory matters the trade, would become more responsible & disciplined in future. We are also able to see a clear shift in the polarization impact in the industry.
- ✦ The year went by, clearly demonstrated your Company's potentials to improve "same store sales" with better top line and bottom line impact while striving hard to improve the gross margin in operations.
- ✦ The inherent strength of the business model comprising of substantial sales of silver ornaments and a moderate improvement in Diamond sales to cover a part of the fixed over heads and to improve the margin of safety while bringing down the BEP level consistently is explored for sustenance of growth.
- ✦ In general expanding gross margin, better expected stock turnover times improved "same store sales" and planned reduction in per gram "cost of sales" of gold ornaments, will go a long way in sustaining the growth while improving the profitability of the company.
- ✦ Barring unforeseen circumstances, the current year 2018-19 would see a moderate but sustainable growth in performance on all fronts.

Assets -Rs in lakhs**Total Equity & Liabilities-Rs in lakhs****Return On Equity in %**

**Key performance indicators to look at for future;**

- ✦ Increase in same store sales. Almost all outlets brought in improved sales in 17-18.
- ✦ Diamond sales in value have gone up from ₹ 236 lakhs to ₹ 554 lakhs in 17-18.
- ✦ Operating profit margin improved by 90 bps points due to better product-mix realization.
- ✦ Net profit before tax also improved by 98 bps due to better cost management and savings in interest outgoes;
- ✦ Your Company will focus in further improvement of these factors to improve the overall profitability.

7. POSITIVE IMPACT OF BALANCE SHEET LIABILITY MANAGEMENT

The proactive steps taken in the past to reduce dependence on bank borrowings started to yield better results. The company consistently substituted costlier working capital facilities with metal loan, advance from customers and bill discounting facilities. The effective cost of funds got reduced as seen from below given chart in the past 4 years;

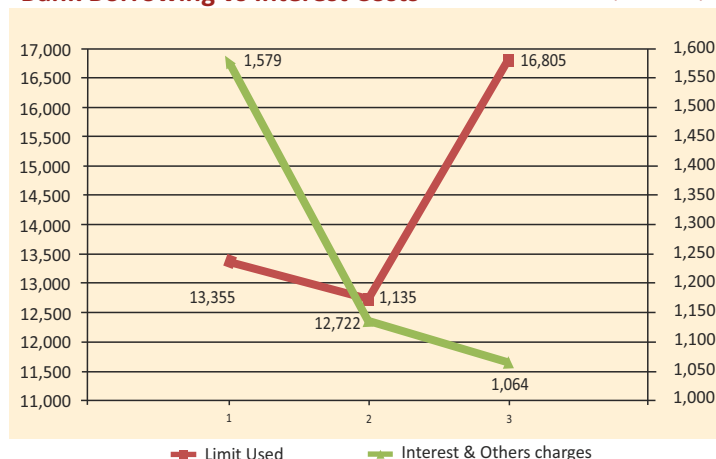
Limit Used vs Interest Payout

₹. (In lakhs)

Year ended 31st March	Limit used	Interest & other charges	As a % of loan availed
2015	18,043	2,525	14.00%
2016	13,355	1,579	11.82%
2017	12,722	1,135	8.92%
2018	16,805	1,064	6.33%

Bank Borrowing vs Interest Costs

₹. (In lakhs)

**Franchisee Model**

For the first time, your company is exploring the avenues for furtherance of business with the help of franchisee model. The company is already working on the modalities of that model by properly evaluating risk/ reward potentials. Your board is of the opinion, atleast on an experimental basis two/ three newly contemplated outlet may be tried with the franchisee model in the current year 2018-19. The progress in this direction as and when put to operation will be informed to the shareholders at appropriate time.

The net internal accruals expected out of operations will be deployed back into business to improve the profits of the company in the years to come.

8. DEFERRED TAX LIABILITIES

As expected in the last year report, Deferred tax assets was fully absorbed by the company. From ₹ 547 lakhs deferred tax assets of last year it got changed to Deferred Tax liabilities of ₹159 lakhs. Under the previous GAAP, deferred tax accounting is done using income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 Income Taxes requires to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on temporary differences which were not required under previous GAAP in addition to the various temporary differences consequent to Ind AS transitional adjustments. Consequently, deferred tax assets (net) is reduced by ₹216 lakhs as at 1st April 2016 and total equity decreased by ₹216 lakhs as at 1st April 2017.

9. CONTRIBUTION TO EXCHEQUER

The Company is a regular payer of taxes and other duties to the Government. The Company has paid Value Added Tax and GST of ₹ 3396 lakhs as compared to ₹ 1,242 lakhs paid in the previous year and Advance income tax of ₹ 738 lakhs for financial year 2017-18.

**10. CAPITAL EXPENDITURE**

During the year, we capitalized ₹1058 Lakhs to our gross block comprising of ₹475 lakhs for Plant & Machinery and Furniture & Fittings and other assets and balance of ₹583 lakhs for Computer Equipment's including Software.

The capital work in progress amount outstanding as on 31st March 2018 is ₹ 87 lakhs. This is comprising of interiors and other assets still to be put in use and yet to be capitalised.

For the previous year, we capitalized ₹ 441 lakhs to our gross block comprising ₹ 349 lakhs for Plant & Machinery and Furniture & Fittings and others and the balance of ₹ 92 lakhs for Computer Equipments including Software.

11. FINANCE

In continuation of last year, this year is the best year wherein the quantum of absolute reduction is commensurate with the quantum of loan exposure. The interest cover ratio has also improved to 3.27 times due to better inventory utilization in this year.

Due to continued thrust and efforts made by the company, interest outgo for every gram of gold ornaments sold to be lower than 17-18 in the years to come.

The secured working capital borrowings of the company as at 31st March 2018 stood up ₹ 20,896 lakhs as against ₹ 13,586 lacs in the previous year. The existing sanctioned limits along with bill discounting limit of ₹ 1,000 lakhs aggregating to ₹ 25,000 lakhs is sufficient to take care of current year requirement of the company. Out of ₹ 3,000 lacs term loan obtained from Karur Vysya Bank only a sum of ₹ 208 lakhs remains to be paid. It is pertinent to note that your company repaid term loan ahead of the schedule of repayment and currently has ₹ 208 lakhs as against ₹ 3,000 lakhs borrowed as long term loan from bank.

The eligible fixed deposits from public & shareholders is ₹ 5302 lakhs. However, the company took only ₹ 4686 lakhs as deposits as at 31st March 2018. Besides, the promoters brought in a sum of ₹ 1240 lakhs at lower interest rate of 6% per annum to support the Company as long term funds. In all, the liquidity position is quite sound and comfortable.

Interest outgoes have decreased marginally. We may have to relate it to the increase in current assets. The per gram interest payment works out to ₹45 only.

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

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

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departure.
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a 'going concern' basis;
- e) The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information; and
- 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.

**14. MANUFACTURING FACILITIES**

Utilisation of own manufacturing facilities including on job work basis is around 90% 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. On a need basis, at short notice handmade items capacity could be commissioned.

15. DEPOSITORY SYSTEM

The trading in the Equity Shares of your Company is under compulsory dematerialization mode. As on March 31, 2018, Equity Shares representing 100% of the equity share capital are in dematerialized form. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialization of the Company's shares.

16. CORPORATE GOVERNANCE

Your Company has been practising 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 2018.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

18. 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 2018-19 have been paid to these Stock Exchanges. The Shares of the companies are compulsorily tradable in dematerialized form.

19. INSURANCE

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

20. 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 2018, the Company has 1434 employees on its rolls as against 1213 employees in the previous year.

21. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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



22. 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:

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

23. 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	2017 -18	2016 -17
Travelling Expenses	1.14	-

Potential Risks, Concerns and Mitigation Plan

Risk of loss of Positioning in the market place

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

Monsoon

Monsoon failure for successive years in southern parts of 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 generally coming down in jewellery business. This has resulted in customer opting for light weight items. The company has decided to stock more of such items in order to get better share from sagging market as in the last year.

Change in lifestyle

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

**Economic risk**

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

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

Competition risk

Increasing competition from new entrants as well as existing ones.

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

Margin risk

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 65:35 basis. This will help the company with any gold price fluctuation of gold price. Your Board will take appropriate action in managing the fluctuation impact in gold price movement from time to time to increase to 75:25 basis.

Change in Government Policies

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

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

Human Resources

Employee attrition may affect the operation of the Company.

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

Seasonal Risk:

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

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

Compliance risk

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

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

Cost management:

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

24. INTERNAL CONTROL SYSTEMS

The Board of Directors is responsible for ensuring that internal financial controls have been laid down in the Company and that such controls are adequate and is functioning effectively. TMJL has policies, procedures, control frameworks and management systems in place that



map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

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

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

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

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

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

Based on last three years average Net profit, for the financial year ended 31st March 2018 the company is required to spend CSR expenses for ₹ 0.34 lakhs.

With an amount of ₹ 19.66 lakhs spent in the previous year a balance of ₹ 53.34 lakhs was available in the previous year

to spend towards CSR activities. The Company has spent the following categories for the financial year ended 31.03.2018:

₹. (In lakhs)

1	Water seeding to plants and providing water to public use	0.36
2	Gaushala funding	46.21
3	Education purpose	2.08
4	Plant sapling for public benefit	0.58
5	Environment cleaning	0.50
6	Medical Camp	2.03
Total amount spent		51.76
Balance carried over to 2018-19 (Including current year)		1.92

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

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

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

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

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

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also in the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.



The Annual Report on related party is annexed herewith as “Annexure 3”.

27. COMPANY’S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

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

28. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure - 5 (MGT-9) and is attached to this report.

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

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

30. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

31. DEPOSITS

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

Sl.No	Particulars	₹ in Lakhs
1	Amount accepted during the year	2021.44
2	Amount remained unpaid or unclaimed as at the end of the year	46.14
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

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

33. DECLARATION OF INDEPENDENT DIRECTORS

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

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

34. CODE OF CONDUCT

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

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

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

35. STATUTORY AUDITORS

The Company’s Auditors, M/s Srinivas & Padmanabhan Chartered Accountants, (Firm Reg.No.004021S), Chennai.) were appointed as the Statutory Auditors of the company at the Annual General Meeting held on July 2017 up to 31st



March 2022. The Company has received letter from them to the effect that their appointment, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from appointment. The companies amendment Act, 2018 has dispensed with ratification of appointment of auditors under section 139 by shareholders at every general meeting vide their notification 7th May 2018 once approved for five years. Hence no resolution need to be passed for their re appointment.

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

36. SECRETARIAL AUDIT

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

37. COMMENTS ON AUDITORS' REPORT

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

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

38. INTERNAL AUDIT AND CONTROL SYSTEMS

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

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

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

40. ENHANCING STAKEHOLDERS VALUE

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

41. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

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

The Audit Committee consists of the following members

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

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



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

43. ANNUAL EVALUATION BY THE BOARD

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

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

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

44. PREVENTION OF INSIDER TRADING:

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.

45. 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.

46. ACKNOWLEDGEMENTS

Your directors express their sincere gratitude and appreciation to the employees of the company who have devotedly and steadfastly stood with the company and for the enduring hard work for the betterment of the company. Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on the Company.

BY ORDER OF THE BOARD For Thangamayil Jewellery Limited

BALARAMA GOVINDA DAS	-	Managing Director
Ba. RAMESH	-	Joint Managing Director
N.B.KUMAR	-	Joint Managing Director

Place: Madurai
Date: May 25, 2018

**ANNEXURE 1 - TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2018****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	55:1
2	Ba. Ramesh	55:1
3	N.B.Kumar	55:1

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

S.No.	Name of the Director	Percentage Increase in the remuneration
1	Balarama Govinda Das	Nil
2	Ba. Ramesh	Nil
3	N.B.Kumar	Nil
4	CS.V. Vijayaraghavan -Company Secretary	32.06%
5	B. Rajeshkanna- Chief Financial Officer	Nil

3) The percentage increase in the median of remuneration of employees in the financial year -15

4) The number of permanent employees on the rolls of Company - 1434

5) The explanation on the relationship between average increase in remuneration and Company Performance - During the year company achieved profit of ₹ 2274 lakhs as against net profit after tax of ₹1395 lakhs in the previous year. A registered growth of bottom line by 63% 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, 2018
1	Balarama Govinda Das	Managing Director	60.00	During the year company achieved profit of ₹2274 lakhs after tax as against net profit after tax of ₹1395 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	15.50	
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, 2018	As at 31st March, 2017	% performance
1	Market Price in ₹	488.10	231.60	
2	Market Capitalization in ₹ lakhs	66,965	31,775	110% Increase
3	EPS	16.58	10.17	
4	Price Earnings Ratio	29.44	22.77	

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: 15%
- ✦ Average increase in the remuneration of KMPs: 2%
- ✦ 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, 2018**

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, 2018.

a. Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹ 60 Lakhs per annum.

Sl. 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

Balarama Govinda Das
Managing Director

**ANNEXURE 2****Annual Report on the CSR activities pursuant to the Companies (Corporate Social Responsibility Policy) Rules 2014**

Sl.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.	₹ 17.23 lakhs
4	Prescribed CSR expenditure(two percent of the amount)	₹ 0.34 lakhs
5	Details of CSR spent during the financial year. Total Amount to be spent for the financial year Cumulative unspent including previous years Total to be spent Amount spent Amount unspent, if any Manner in which the amount spent during the financial year is detailed below. 1.Water seeding to plants and providing water to public use 2.Gaushala funding 3.Education purpose 4.Plant sapling for public benefit 5.Environment cleaning 6.Medical Camp Total amount spent	₹ 0.34 lakhs ₹ 53.34 lakhs ₹ 53.68 lakhs ₹ 51.76 lakhs ₹ 1.92 lakhs ₹ 0.36 lakhs ₹ 46.21 lakhs ₹ 2.08 lakhs ₹ 0.58 lakhs ₹ 0.50 lakhs ₹ 2.03 lakhs <u>₹ 51.76 lakhs</u>
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.	There was balance of ₹ 1.58 lakhs unspent due to our inability to identify the project. Now with addition of ₹ 0.34 lakhs this year there is an amount of ₹ 1.92 lakhs to be spent during the current financial year 2018-19
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

Madurai
May 25, 2018



CSR Activity



**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 there to:

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

ANNEXURE 4 TO DIRECTORS' REPORT**Policy for Selection of Directors and determining Directors' independence****1. Introduction**

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

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

2. Scope and Exclusion:

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



3. Terms and References:

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

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

4. Policy:

4.1. Qualification and criteria

- 4.1.1. The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s operations.
- 4.1.2. In evaluation the suitability of individual Board members, the NR committee may take into account factors, such as:
 - ✦ General understanding of the Company’s business dynamics, global business and social perspective;
 - ✦ Educational and professional background
 - ✦ Standing in the profession;
 - ✦ Personal and professional ethics, integrity and values;
 - ✦ Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 4.1.3. The proposed appointee shall also fulfil the following requirements:
 - ✦ Shall possess a Director Identification Number;
 - ✦ Shall not be disqualified under the Companies Act, 2013;
 - ✦ Shall give his written consent to act as a Director;
 - ✦ Shall Endeavour to attend all Board meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
 - ✦ Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
 - ✦ Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or others association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - ✦ Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws
- 4.1.4. The NR committee shall evaluate each individual with the objective of having a group that best enables the success of the Company’s business.

4.2 Criteria of Independence

- 4.2.1 The NR committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- 4.2.2. The criteria of independence, as laid down in Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as below;



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

- a) Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b)
 - i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself nor any of his relatives –
 - i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
 - A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f) Shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g) Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h) Who is not less than 21 years of age.

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



4.3. Other directorships / committee memberships

- 4.3.1. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committees shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2. A Director shall not serve as Director in more than 20 Companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4. A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

ANNEXURE 4 TO DIRECTORS' REPORT

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction

- 1.1. Thangamayil Jewellery Limited (TMJL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
 - 1.1.1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
 - 1.1.2. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
 - 1.1.3. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

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

3. Terms and Reference:

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

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



4. Policy:

4.1. Remuneration to Executive Directors and Key Managerial Personnel

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

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

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

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

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

4.2. Remuneration to Non-Executive Directors

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

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

4.3. Remuneration to other employees

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

**ANNEXURE 5 EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2018

[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	No.124, Nethaji Road, Madurai-625001. 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-				



S.No	IV. SHARE HOLDING PATTERN									
	(Equity share capital breakup as percentage of total equity)									
	(i) Category-wise Share Holding									
	Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
a)	Individual/ HUF	87,24,153	-	87,24,153	63.59	81,88,932	-	81,88,932	59.69	(3.90)
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	9,27,042	-	9,27,042	6.76	9,27,042	-	9,27,042	6.76	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A) (1)	96,51,195	-	96,51,195	70.35	91,15,974	-	91,15,974	66.44	(3.90)
(2)	Foreign									
a)	NRI Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
	TOTAL (A)	96,51,195	-	96,51,195	70.35	91,15,974	-	91,15,974	66.44	(3.90)
B.	Public									
1	Institutions									
a)	Mutual Funds	9,47,000	-	9,47,000	6.90	8,17,000	-	8,17,000	5.95	(0.95)
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	1,21,417	-	1,21,417	0.88	0.88
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	5,000	-	5,000	0.04	-	-	-	-	(0.04)
	Sub-total (B)(1):-	9,52,000	-	9,52,000	6.94	9,38,417	-	9,38,417	6.84	(0.10)



2.	Non-Institutions									
a)	Bodies Corp.	7,45,109	-	7,45,109	5.43	9,54,625	-	9,54,625	6.96	1.53
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals	-	-	-	-	-	-	-	-	-
i)	Individual shareholders holding nominal share capital upto Rs. 2 lakh	11,03,797	7,000	11,10,797	8.10	17,20,800		17,20,800	12.54	4.45
ii)	Individual shareholders holding nominal share capital in excess of Rs 2 lakh	8,36,465	-	8,36,465	6.10	7,32,167	-	7,32,167	5.34	(0.76)
c)	Others (specify) -	-	-	-	-	17,623	-	17,623	0.13	0.13
	Non Resident Indians	20,319		20,319	0.15	69,935		69,935	0.51	0.36
	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	Clearing Members	1,36,880	-	1,36,880	1.00	27,260	-	27,260	0.20	(0.80)
	HUF	2,66,817	-	2,66,817	1.94	1,42,781	-	1,42,781	1.04	(0.90)
	Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2):-	31,09,387	7,000	31,16,387	22.71	36,65,191	-	36,65,191	26.72	4.00
	Total Public (B)	40,61,387	7,000	40,68,387	29.65	46,03,608	-	46,03,608	33.56	3.90
	C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	1,37,12,582	7,000	1,37,19,582	100.00	1,37,19,582	-	1,37,19,582	100.00	-



ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the Year as on 31-03-2017			Shareholding at the end of the Year as on 31-03-2018			% 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	16.41	26,78,922	19.53	16.41	(1.30)
Ramesh Ba	28,81,603	21.00	16.26	27,03,196	19.70	16.26	(1.30)-
Kumar N B	28,41,451	20.71	16.49	26,63,044	19.41	16.49	(1.30)
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 & Diamond Private Limited	7,01,671	5.11	-	7,01,671	5.11	-	-
Balusamy Silvears Jewellery Private Limited	2,25,371	1.64	-	2,25,371	1.64	-	-
Total	96,51,195	70.35		91,15,974	66.44		(3.90)



iii) Change in promoters Shareholding

Sl. No	Name	Shareholding at the beginning of (01.04.17)/ end of the year (31.03.2018)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	01-04-2017			28,57,329	20.83
				13-10-2017	(9,220)	Sales	28,48,109	20.76
				09-02-2018	(1,69,187)	Transfer	26,78,922	19.53
				31-03-2018			26,78,922	19.53
2	Ba Ramesh	28,81,603	21.00	01-04-2017			28,81,603	21.00
				13-10-2017	(15,852)	Sales	28,65,751	20.89
				17-11-2017	(5,00,000)	Sales	23,65,751	17.24
				09-02-2018	3,37,445	Transfer	27,03,196	19.70
				31-03-2018			27,03,196	19.70
3	N B Kumar	28,41,451	20.71	01-04-2017			28,41,451	20.71
				13-10-2017	(4,595)	Sales	28,36,856	20.68
				20-10-2017	(2,798)	Sales	28,34,058	20.66
				27-10-2017	(2,756)	Sales	28,31,302	20.64
				09-02-2018	(1,68,258)	Transfer	26,63,044	19.41
				31-03-2018			26,63,044	19.41
4	B Annamayil	10	0.00	01-04-2017			10	0.00
				31-03-2018			10	0.00
5	Yamuna Vasini Deva Dasi	20,200	0.15	01-04-2017			20,200	0.15
				31-03-2018			20,200	0.15
6	B Rajesh Kanna	21,480	0.16	01-04-2017			21,480	0.16
				31-03-2018			21,480	0.16
7	Balasubbu Prasannan	21,480	0.16	01-04-2017			21,480	0.16
				31-03-2018			21,480	0.16



8	B R Sumati	200	0.00	01-04-2017			200	0.00
				31-03-2018			200	0.00
9	K Thamaraiselvi	22,500	0.16	01-04-2017			22,500	0.16
				31-03-2018			22,500	0.16
10	Narayanan BalasubbuArun	22,300	0.16	01-04-2017			22,300	0.16
				31-03-2018			22,300	0.16
11	Balusamy Ramesh Darmini	22,300	0.16	01-04-2017			22,300	0.16
				31-03-2018			22,300	0.16
12	Gokul Ramesh	13,300	0.10	01-04-2017			13,300	0.10
				31-03-2018			13,300	0.10
13	Thangamayil Gold & Diamond Private Limited	7,01,671	5.11	01-04-2017			7,01,671	5.11
				31-03-2018			7,01,671	5.11
14	Balusamy Silvears Jewellery Private Limited	2,25,371	1.64	01-04-2017			2,25,371	1.64
				31-03-2018			2,25,371	1.64





(iv) TOP Ten Shareholders (Other than Directors, Promoters and Holders of GDR and ADRs)

Sl.No	Name	Shareholding at the beginning of (01.04.17)/ end of the year (31.03.2018)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year 01.04.2017 to 31.03.2018	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	SBI Mutual funds (Group)	9,47,000	6.90	01-04-2017			9,47,000	6.90
				08-07-2017	-1,30,000	Transfer	8,17,000	5.95
				31-03-2018			8,17,000	5.95
2	Radha Kishan S Damini	2,44,584	1.78	01-04-2017			2,44,584	1.78
				28-07-2017	-1,30,000	Transfer	1,14,584	0.84
				04-08-2017	-1,00,645	Transfer	13,939	0.10
				11-08-2017	-13,939	Transfer	0	-
				31-03-2018			0	-
3	Aadi Financial Advisors LLP	1,53,260	1.12	01-04-2017			1,53,260	1.12
				22-12-2017	-4,432	Transfer	1,48,828	1.08
				31-03-2018			1,48,828	1.08
4	Luxmi Township Limited	1,50,097	1.09	01-04-2017			1,50,097	1.09
				31-03-2018			1,50,097	1.09
5	Pannalal C Kothari HUF	1,19,000	0.87	01-04-2017			1,19,000	0.87
				07-04-2017	-25	Transfer	1,18,975	0.87
				14-04-2017	-26,004	Transfer	92,971	0.68
				21-04-2017	-50,000	Transfer	42,971	0.31
				19-05-2017	-25,000	Transfer	17,971	0.13
				09-06-2017	-15,000	Transfer	2,971	0.02
				30-06-2017	13,129	Transfer	16,100	0.12
				07-07-2017	-16,100	Transfer	0	-
				31-03-2018			0	-
6	Chartered Finance and Leasing Ltd	1,05,000	0.77	01-04-2017			1,05,000	0.77
				13-10-2017	-10,000	Transfer	95,000	0.69
				01-12-2017	-29,268	Transfer	65,732	0.48
				15-12-2017	-10,000	Transfer	55,732	0.41
				05-01-2018	-10,000	Transfer	45,732	0.33
				23-03-2018	-8,367	Transfer	37,365	0.27
				31-03-2018			37,365	0.27
7	Akash Bansali	1,00,000	0.73	01-04-2017			1,00,000	0.73
				31-03-2018			1,00,000	0.73
8	Lakshmanan Sivakumar	93,153	0.68	01-04-2017			93,153	0.68
				31-03-2018			93,153	0.68



9	Ramesh Damini	84,138	0.61	01-04-2017			84,138	0.61
				24-11-2017	-7,500	Transfer	76,638	0.56
				01-12-2017	-8,500	Transfer	68,138	0.50
				15-12-2017	-2,500	Transfer	65,638	0.48
				31-03-2018			65,638	0.48
10	Aroni Commercials Limited	75,000	0.55	01-04-2017			75,000	0.55
				07-04-2017	-75,000	Transfer	0	-
				31-03-2018			0	-
11	Infina Finance Private Limited	-	-	13-10-2017	1,00,124	Transfer	1,00,124	0.73
				17-11-2017	9,876	Transfer	1,10,000	0.80
				09-02-2018	10,000	Transfer	1,20,000	0.87
				09-02-2018	-200	Transfer	1,19,800	0.87
				16-03-2018	10,200	Transfer	1,30,000	0.95
				31-03-2018			1,30,000	0.95
12	Anshul Saigal	-	-	07-04-2017	30,464	Transfer	30,464	0.22
				14-04-2017	3,913	Transfer	34,377	0.25
				21-04-2017	36,558	Transfer	70,935	0.52
				28-04-2017	32,892	Transfer	1,03,827	0.76
				12-05-2017	345	Transfer	1,04,172	0.76
				07-07-2017	12,742	Transfer	1,16,914	0.85
				31-03-2018			1,16,914	0.85
13	IIFL Long term Growth Fund	-	-	01-12-2017	21,195	Transfer	21,195	0.15
				08-12-2017	40,000	Transfer	61,195	0.45
				12-01-2018	202	Transfer	61,397	0.45
				19-01-2018	1,000	Transfer	62,397	0.45
				31-03-2018			62,397	0.45
14	Avinash P Wadwa	58,964	0.43	01-04-2017			58,964	0.43
				31-03-2018			58,964	0.43

**V. INDEBTEDNESS:-**

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

(₹ in lakhs)

Particulars	Secured Loans(Inclu Sec Fds) excluding deposits	Unsecured Loans	Deposits (Unsecured)	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	15,782.10	351.96	3,467.73	19,601.79
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued but not due	-	-	364.12	364.12
Total (i+ii+iii)	15,782.10	351.96	3,831.85	19,965.91
Change in Indebtedness during the financial year				
Addition	6,282.60	1,528.67	471.41	8,282.68
Reduction	-	-	-	-
Net Change	6,282.60	1,528.67	471.41	8,282.68
Indebtedness at the end of the Financial Year				
I) Principal Amount	22,064.70	1,880.63	3,900.10	27,845.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	403.16	403.16
Total (i+ii+iii)	22,064.70	1,880.63	4,303.26	28,248.59

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

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

(₹ in lakhs)

SI.NO.	Particulars of Remuneration	Name of MD/WTD/ Manager			
	Name	Balarama Govinda Das	Ba. Ramesh	N.B. Kumar	Total Amount
	Designation	MD	JMD	JMD	
	Gross salary	60.00	60.00	60.00	180.00
1	(a) Salary as per provisions contained in section 17 (1) of the Income- tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	60.00	60.00	60.00	180.00



B. Remuneration to other Directors

(₹ in lakhs)

SI.No	Particulars of Remuneration	Name of Directors				
		VR Muthu	Lalji Vora	S Rethinavelu	V Ramasamy	Total Amount
1	Designation	Independent Directors				
	Fee for attending board committee meetings	0.20	0.25	0.25	0.05	0.75
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.20	0.25	0.25	0.05	0.75
2	Other Non-Executive Directors	Yamuna Vasini Devadasi				
	Fee for attending board committee meetings		0.30	-	-	0.30
	Commission		-	-	-	-
	Others, please specify		-	-	-	-
	Total (2)		0.30	-	-	0.30
	Total (B)=(1+2)		-	-	-	1.05
	Total Managerial Remuneration		-	-	-	-
	Overall Ceiling as per the Act		-	-	-	-

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

(₹ in lakhs)

SI.NO	Particulars of Remuneration	Name of Key Managerial Personnel		
	Name	V Vijayaraghavan	B Rajeshkanna	Total Amount
	Designation	Company Secretary	CFO	
1	Gross salary	15.50	28.80	44.30
	(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	15.50	28.80	44.30

**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	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Annexure -6****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

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

To,
The Members,
THANGAMAYIL JEWELLERY LIMITED,
MADURAI

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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, 2018 according to the provisions of;

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



6. Other Laws applicable to the Company ;

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

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

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

II. The Listing Agreements entered into by the Company with Bombay Stock Exchange 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: 25.05.2018

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

**"ANNEXURE A"**

To,
The Member,
THANGAMAYIL JEWELLERY LIMITED
MADURAI

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

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

S.MUTHURAJU

(Practicing Company Secretary)
Proprietor
ACS: 8825
CP: 4181
Place: MADURAI
Date: 25.05.2018



MANAGEMENT DISCUSSION AND ANALYSIS

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7 per cent of the country's GDP and 15.71 per cent to India's total merchandise exports. It also employs over 4.64 million workers. 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 75 per cent of the world's polished 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

Gold demand in India rose to 454.4 tonnes between January-September 2017. India's gems and jewellery exports stood at US\$ 24.89 billion in April-December 2017. During the same period, exports of cut and polished diamonds stood at US\$ 17.2 billion, thereby contributing about 69 per cent of the total gems and jewellery exports in value terms. Exports of gold coins and medallions stood at US\$ 1,736.02 million and silver jewellery export stood at US\$ 3,114.85 million during April-December 2017.

The gems and jewellery market in India is home to more than 300,000 players, with the majority being small players. Its market size is about US\$ 60 billion as of 2017 and is expected to reach US\$ 100-110 billion by 2021-2022. It contributes 29 per cent to the global jewellery consumption.

India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country. UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery. The Goods and Services Tax (GST) and monsoon will steer India's gold demand going forward.

Investments/Developments

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded 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 2017 were US\$ 1,045.58 million, according to Department of Industrial Policy and Promotion (DIPP).

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

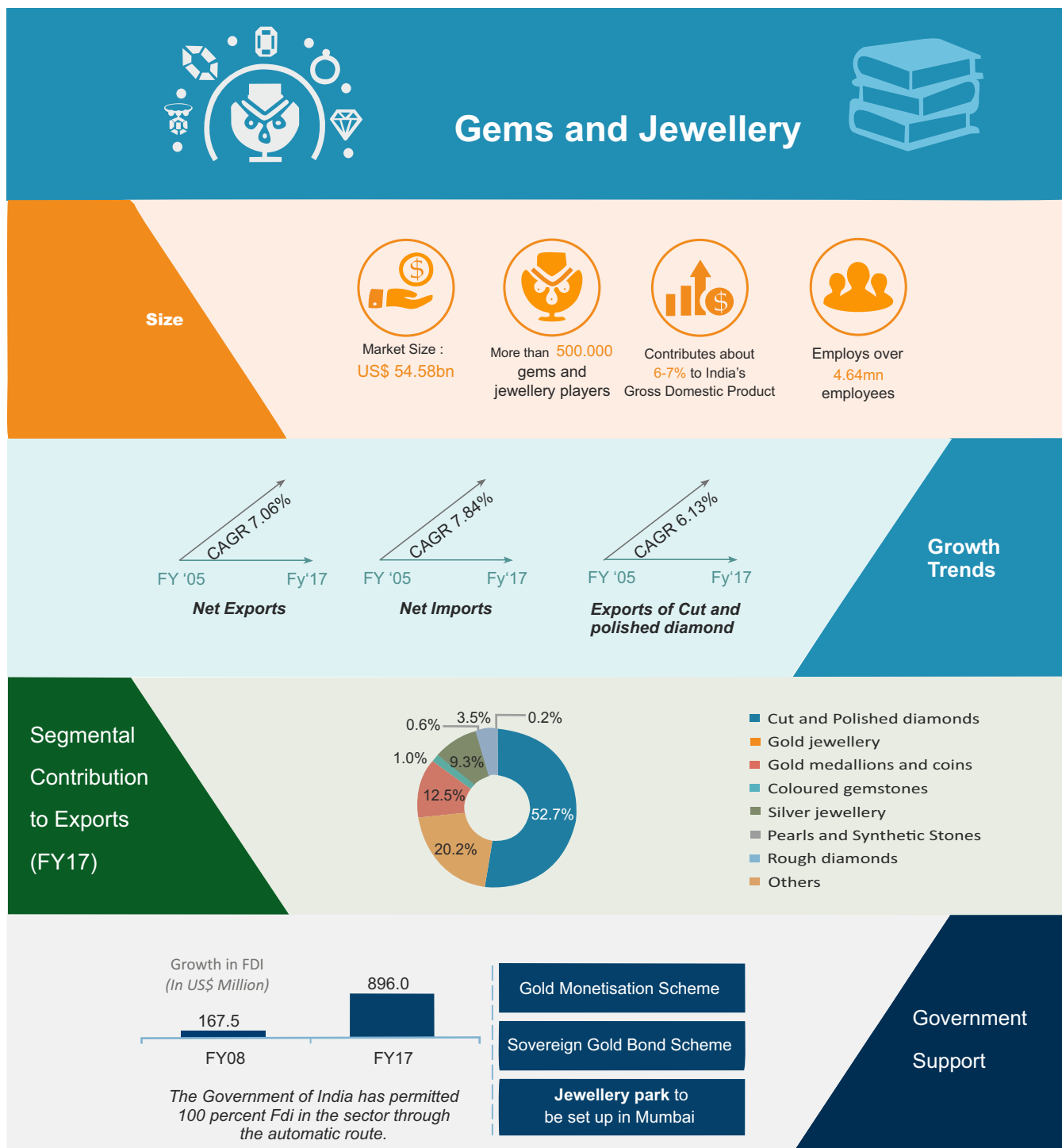
- ✦ An international diamond exchange will be set up in Surat by October 2020 at a cost of Rs 2,400 crore (US\$ 372million).
- ✦ Companies such as PC Jewellers, PNG Jewellers, Popley and Sons, are planning to introduce a virtual-reality (VR) experience for their customers. The customer will have to wear a VR headset, through which they can select any jewellery, see the jewellery from different angles and zoom on it to view intricate designs.

Government Initiatives

- ✦ The Government of India would notify a new limit for reporting about transactions in gold and other precious metals and stones to authorities, to avoid the parking of black money in bullion.
- ✦ The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.
- ✦ The Government of India has planned to set up a Common Facility Center (CFC) at Thrissur, Kerala.

**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 organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Online sales are expected to account for 1-2 per cent of the fine jewellery segment by 2021-22. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely 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 complines, 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, compliance with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

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



ANTI-FRAUD PROGRAMME

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

INFORMATION TECHNOLOGY

Thangamayil Jewellery Limited has a jewellery retail based information technology savvy department deploying the best retail solutions in the market to enhance, develop, support and maintain our retail business activity across all our showrooms. Thangamayil has developed an information technology team to test and maintain our own solutions across the showrooms. As a base platform for our ERP we used SAP Business One solution across the showrooms. End to end application to meet the requirements of Jewellery retail business needs, right from purchase of ornament to sale of it, customer management and inventory handling.

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

HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

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

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

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

**SWOT ANALYSIS****S****Strengths**

- ✦ Renowned brand across in southern and western regions of Tamil Nadu
- ✦ Adequate manufacturing facilities for strengthening of design
- ✦ Cost competitive logistics
- ✦ Capable to venture into new markets & 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
- ✦ Advanced use of technology to support business operations and expansion

W**Weakness**

- ✦ Operating in a stiff competitive environment with uncertain profit margins.
- ✦ Unpredicted Gold price movements and its impact on margin.
- ✦ Low margin products
- ✦ 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

O**Opportunities**

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

T**Threats**

- ✦ Presence of Small and un-organized industry players affects a sustained growth in the industry.
- ✦ Depending on bank finance.
- ✦ Existing competitors
- ✦ Penetration of large corporates jewellery traders cutting down margins.
- ✦ Macro-economic factors such as Rupee fluctuations, enactment of new laws such as GST, 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
- ✦ Increasing duties and cess following GST implementation

**FINANCIAL OPERATIONS****1. Results of Operations**

Net Revenue from Operations:

(₹ in lakhs)

Particulars	FY 2017-18	FY 2016-17	Change	% of Change
Sale of Products	1,37,929	1,29,946	7,983	6.14 %

Sales for the financial year 2017-18 have increased by 6.14% when compared to the previous year.

2. Other Income

(₹ in lakhs)

Particulars	FY 2017-18	FY 2016-17	Change	% of Change
Other Operating Income	155	113	42	37.441%

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

3. Gross Profit

(₹ in lakhs)

Particulars	FY 2017-18	FY 2016-17	Change	% of Change
Revenue from Operations	1,37,929	1,29,946	7,983	6.14%
Less: Cost of Consumption	1,25,111	1,19,052	6,059	5.09%
Gross Profit	12,818	10,894	1,289	17.66%

Better realization of inventory in the last quarter of the year due to steep increase in gold price and better product mix help to achieve the growth.

4. Profit Before Taxation

(₹ in lakhs)

Particulars	FY 2017-18	FY 2016-17	Change	% of Change
Profit before Taxation	3,394	1,930	1,463	75.82%

During the year, the company achieved profit before tax is ₹ 3,394 lakhs as against net profit of ₹ 1,930 lakhs.

5. Total Comprehensive income (After taxation)

Particulars	FY 2017-18	FY 2016-17	Change	% of Change
Total Comprehensive Income After taxation	2,274	1,395	879	63.00%

For the year company achieved net profit after tax of ₹ 2,274 lakhs. This performance is on account of improvement in gross profit margin, various cost-cutting measures, as well as better gold price realisation.



Financial Condition

Overview

1) Equity Share Capital

The issued, subscribed and paid up capital as at March 31, 2018 stood at ₹ 1,371.96 lakhs. There was no fresh infusion of capital during the year.

2) Other Equity

Other Equity stood at ₹15,501 lakhs as against ₹13,562 lakhs in the previous year.

3) Property, Plant and Equipment and Intangible Assets

Gross block of Fixed Assets is ₹ 12,380.66 lakhs which comprises of Plant & Machinery, Furniture & Fixtures, Vehicle and Buildings of ₹10,018.00 lakhs and Computer Equipment's of ₹ 2,362.66 lakhs.

4) Inventories

Inventories amounted to ₹47,590 lakhs as at 31st March 2018 as against ₹31,200 lakhs as at the previous year end.

5) Trade Receivables

Trade Receivables amounted to ₹ 130.10 lakhs as at 31st March 2018 as against ₹85.02 lakhs as at 31st March 2017.

6) Cash and Cash equivalents

Cash and bank balances with banks amounts to ₹367.69 lakhs as against ₹ 942.33 lakhs in the previous year.

7) Bank Balance other than cash and cash equivalents

Bank balance other than Cash and cash equivalents with banks amounts to ₹2,819.95 lakhs as against ₹1,079.33 lakhs in the previous year. The increase on account of margin money and fixed deposit kept for gold metal loan facilities.

8) Current Tax Assets (Net)

Current tax assets amounting to ₹1,278 lakhs as against ₹1020 lakhs in the previous year. The advance payment of tax will be set off under MAT credit reversal in subsequent years.

9) Current Liabilities

Current liabilities excluding provisions amounting to ₹ 40,965.61 lakhs includes secured loan from banks, Current Maturities on long term loans and Trade creditors for raw materials and creditors for advertising and promotion spends, packing materials, advance received from customers and creditors for capital purchases.

10) Working Capital

The Company has a Working Capital (including cash and bank balances) of ₹11,569 lakhs as at 31st March 2018 as against ₹ 9,549 lakhs as at 31st March 2017. The increase in working capital is on account of internal accruals and increased long term sources.

11) Debt Equity Ratio

Your Company has got Average Net Debt Equity ratio of 2.42 as at 31.3.2018 as against 1.79 as at 31.03.2017.

**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, 2018, 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 2017-18 and the gap between two meetings did not exceed four months. The dates, on which the Board meetings were held, are as follows:

24 April 2017, 18 May 2017, 26 July 2017, 11th November 2017, 31st January 2018, and 16th March 2018.

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 26th July 2017. Composition, Status, Attendance at the Board Meetings, and the last Annual General Meeting (AGM):



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

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

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

Adoption of Code of Conduct

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

Access to information and Updation to directors:

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

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

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

Appointment / Re-appointment of directors:

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

AUDIT COMMITTEE

During the year, four meetings of the Audit Committee were held on 18th May 2017, 26th July 2017, 11th November 2017, and 31st January 2018.



The Chairman of the Audit Committee also attended the Company's last Annual General Meeting. The following table summarises attendance of Audit Committee members during the year under review:

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

The Company Secretary acts as the Secretary to the Committee.

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



In addition to the above, the Audit committee 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. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

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

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

Name of the person	Designation	Meeting Attended
Sri. S. Rethinavelu	Chairman	3
Sri. Lalji Vora	Member	4
Sri. V. R. Muthu	Member	4

The Company Secretary acts as the Secretary to the Committee.

The terms of reference of the Remuneration Committee are:

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

Remuneration Policy

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

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

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

**Remuneration of Non-Executive Directors**

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

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

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

The Directors' remuneration in respect of the Financial Year 2017-2018, is given below:-

(₹ in lakhs)

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

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

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

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

Particulars of Sitting Fees paid and Details of Shareholding of independent & Non-Executive - Non-Independent directors during the financial year 2017-18.

Name of the Directors	Sitting Fees (in ₹)	No of Equity Shares Held
Sri. S. Rethinavelu	25,000	-
Sri. Lalji Vora	25,000	100
Sri. V. R. Muthu	20,000	-
Mrs.Yamuna Vasini Deva Dasi	30,000	20,200
Mr.V Ramasamy	5,000	-
Total	105,000	20,300

STAKE HOLDERS GRIEVANCE AND RELATIONSHIP COMMITTEE

The primary role of the investor grievance committee is to:

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

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



The committee has the following members:

Name of the person	Designation
Sri. 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 2018 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, 2018 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 ₹ 51.75 lakhs towards CSR activities as mentioned in point No.25 of Board of Directors report and also at annexure 2 of the report which may kindly be referred to for more details. With an amount of ₹ 19.66 lakhs spent in the previous year a balance of ₹ 53.34 lakhs was available to spend towards CSR activities. The Company has spent the following categories for the financial year ended 31.03.2018:

S.No	Particulars	₹ in lakhs
1	Water seeding to plants and providing water to public use	0.36
2	Gaushala funding	46.21
3	Education purpose	2.08
4	Plant sapling for public benefit	0.58
5	Environment cleaning	0.50
6	Medical Camp	2.03
	Total	51.76
	Balance to be carried over 2018-19 including current year	1.92

With this the amount that would accrue for the period ended 31.03.2018 will be spent for the current financial year 2018-19 on the projects as per Sch.VII of the Act.



INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 31st January, 2018, 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 Indian Accounting Standards (Ind AS24) has been made in the notes to the Financial Statements.

DISCLOSURES

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

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard 24 issued by the Institute of Chartered Accountants of India has been reported in the Notes to the Accounts. There is no transaction of a material nature with any of the related parties which is in conflict with the interests of the Company.

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, 2018, 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, The Daily 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 published in the Company's website. The Company makes use of its website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

Share Transfer Agent (STA) and share transfer system:

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

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

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

The Company, as required under Listing Agreement, has designated the following e-mail ID, namely companysecretary@thangamayil.com for the purpose of registering complaints, if any, by the shareholders and expeditious redressal of their grievances. Shareholders are, therefore, requested to correspond with the STA for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend etc. at their address given in this report.

**Dematerialisation of shares and liquidity:**

TMJL shares are tradable compulsorily in electronic form and, through M/s. SKDC Consultants Limited, Registrars and Share Transfer Agents. We have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at March 31, 2018, 100% of our shares were held in dematerialized form.

Category	Number of Shares	% of Total Equity
NSDL	1,24,91,652	91.05 %
CDSL	12,27,930	8.95%
Total	1,37,19,582	100.00%

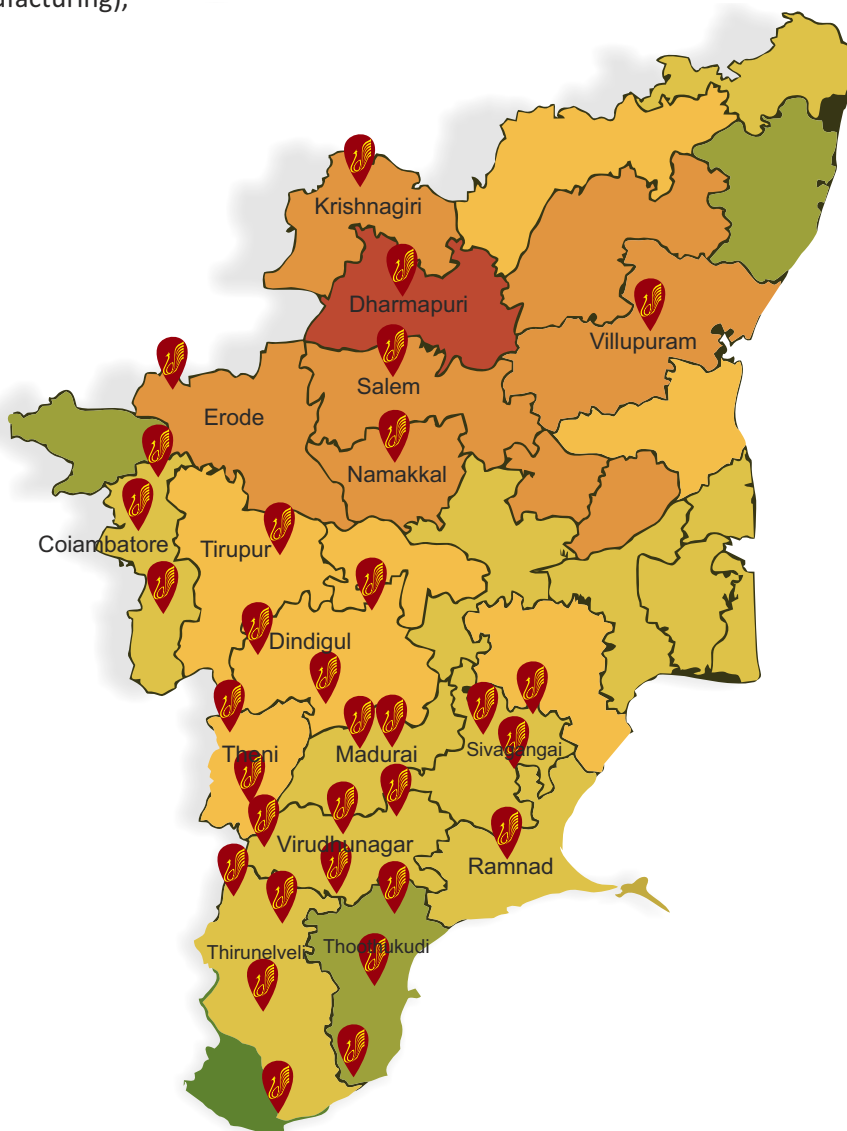
The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

Manufacturing & Show Room Locations:

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

District wise Branch Details

Coimbatore Coimbatore Dharapuram Udumalpet	Sivagangai Sivagangai Karaikudi Tiruppuvanam
Dharmapuri Dharmapuri Krishnagiri	Theni Theni Cumbum
Dindigul Dindigul Palani Ottanchathiram	Tirunelveli Tirunelveli Tenkasi Valioor Sankarankoil
Erode Gopichettipalayam	Tirupur Tirupur
Madurai Nethaji Road, Madurai Annanagar, Madurai	Tuticorin Tuticorin Kovilpatti Eral
Namakkal Namakkal	Villupuram Villupuram
Ramnad Ramnad	Virudhunagar Virudhunagar Rajapalayam Sivakasi Aruppukottai
Salem Salem	



**Address for investor correspondence:**

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

S.K.D.C. Consultants Limited,

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

- (ii) For any query on annual report

Shri. V. Vijayaraghavan
Company Secretary
Mobile :9894149200

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

Consolidation of Multiple Folios:

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

Registration of Nominations:

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



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

Updating of address:

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

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

SMS Alerts:

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

Timely encashment of dividends:

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

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

Annual General Meeting:

Date	Time	Venue
1st August 2018	11.45 AM	Tamil Nadu Chamber Of Commerce & Industry, 178B, Kamarajar Salai, Madurai – 625 009

Financial Year: 1st April 2018 to 31st March 2019

Financial calendar (Tentative and subject to change):

Financial reporting for the quarter ending:	
30th June 2018	Before 10th August 2018
30th September 2018	Before 12th November 2018
31st December 2018	Before 14th February 2019
31st March 2019	Between 6th May and 27th May 2019

Date of Book Closure: 24th July 2018 to 31st July 2018 (both days inclusive)

**Particulars of dividend payment:**

Dividend of ₹ 2/- per share for the year ended 31st March 17 amounting to a sum of ₹ 335 lakhs including dividend distribution tax was paid.

Listing on Stock Exchanges:

The equity shares of the company are listed at 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:

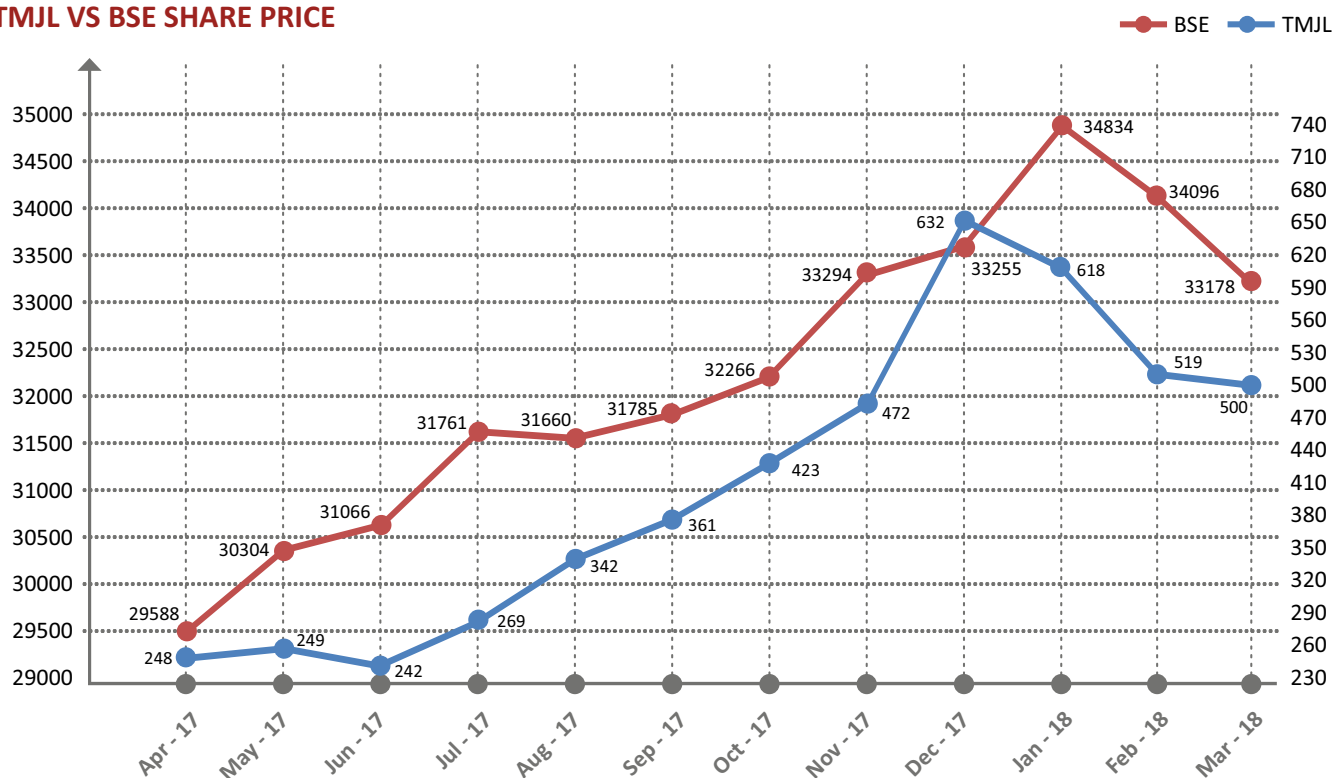
BSE Limited - Code No. 533158
National Stock Exchange of India Limited - Symbol. THANGAMAYL

Stock Market Data- High and Low Quotations of equity shares for 2017-2018

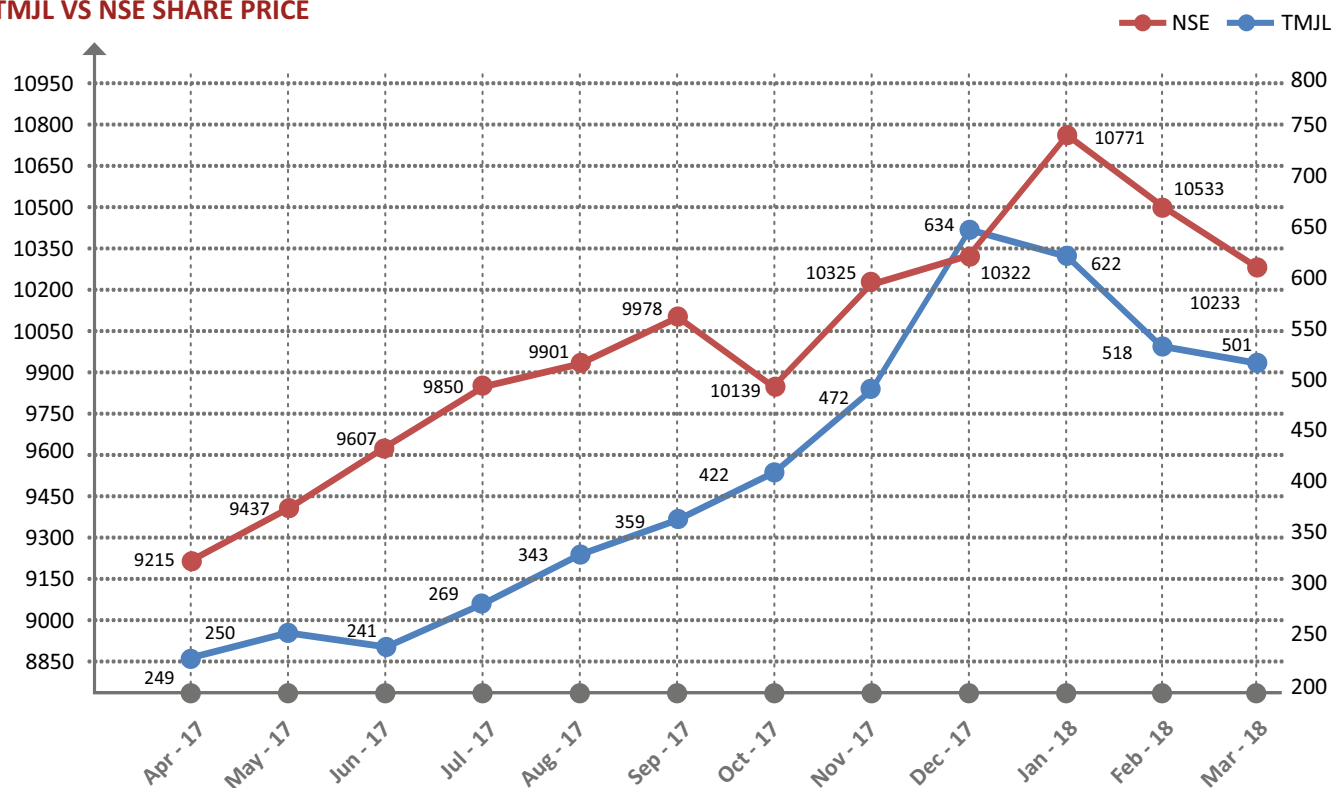
Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-17	269	223	270	228
May-17	270	225	272	215
Jun-17	264	221	269	229
Jul-17	347	232	348	230
Aug-17	403	308	403	295
Sep-17	387	335	389	335
Oct-17	462	356	467	355
Nov-17	635	390	639	381
Dec-17	701	546	699	540
Jan-18	677	542	675	555
Feb-18	589	471	589	470
Mar-18	550	460	555	447



TMJL VS BSE SHARE PRICE



TMJL VS NSE SHARE PRICE





Distribution of Share Holding as on 31st March, 2018

Sl.No	Range of Shares(in ₹)	Number of share holders	Amount	% to total Shares
1	2	3	4	5
1	1 to 5,000	4,310	34,86,300	2.54
2	5,001 to 10,000	213	16,55,520	1.21
3	10,001 to 20,000	257	38,90,860	2.84
4	20,001 to 30,000	77	19,00,780	1.39
5	30,001 to 40,000	39	13,72,870	1.00
6	40,001 to 50,000	37	16,81,610	1.23
7	50,001 to 100,000	64	44,54,680	3.25
8	100,001 and above	75	11,87,53,200	86.56
	Total	5,072	13,71,95,820	100.00%





Pattern of Share holdings as on 31st March, 2018

Category Code	Category of Shareholder	Share Holding details			Shares Pledged or Otherwise encumbered	
		Total Number of Shares	Number of shares held in dematerialized form	As a % of (A+B)	Number of Shares	As a % of (7)/(4)*100
1	2	3	4	5	6	7
(A)	Shareholding of Promoter & Promoter Group					
(1)	Indian Promoters	91,15,974	91,15,974	66.44%	14,06,220	15.43%
(2)	Foreign Promoters	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	91,15,974	91,15,974	66.44%	14,06,220	15.43%
(B)	Public shareholding					
(1)	Institutions					
(a)	Indian Institutions	8,83,314	8,83,314	6.44%	Nil	Nil
(b)	Foreign Institutions	55,103	55,103	0.40%	-	-
	Sub-Total (B)(1)	9,38,417	9,38,417	6.84%	Nil	Nil
(2)	Non-institutions					
(a)	Bodies Corporate	9,54,625	9,54,625	6.96%	N.A.	N.A.
(b)	Individual Share Holders	24,97,850	24,97,850	18.21%	N.A.	N.A.
(c)	Individual NRI / Foreign Nationals	2,12,716	2,12,716	1.55%	N.A.	N.A.
(c)	Sub-Total (B)(2)	36,65,191	36,65,191	26.72%	N.A.	N.A.
	Total Public Shareholding (B)= (B)(1)+(B)(2)	46,03,608	46,03,608	33.56%	N.A.	N.A.
	TOTAL (A)+(B)	1,37,19,582	1,37,19,582	100%	N.A.	N.A.
(c)	Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil	Nil
	GRAND TOTAL (A)+(B)+(C)	1,37,19,582	1,37,19,582	100%	14,06,220	10.25%

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

Date	Year	AGM	Time	Venue
29/07/2015	2014-15	15th	11.45 AM	Tamil Nadu Chamber Of Commerce & Industry, 178B, Kamarajar Salai, Madurai – 625 009
27/07/2016	2015-16	16th	11.45 AM	Tamil Nadu Chamber Of Commerce & Industry, 178B, Kamarajar Salai, Madurai – 625 009
26/07/2017	2016-17	17th	11.45 AM	Tamil Nadu 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 ₹ 750 Crores u/s .180 (1) (c) of the Act.

Top Ten Ordinary Shareholders of the Company as on 31st March, 2018

S.No	Name of the Shareholder	No of Shares held	% of holding
1	Ba.Ramesh	27,03,196	19.70%
2	Bala Rama Govinda Das	26,78,922	19.53%
3	N.B. Kumar	26,63,044	19.41%
4	SBI Magnum Balanced Fund	8,17,000	5.95%
5	Thangamayil Gold And Diamond Private Limited	7,01,671	5.11%
6	Balusamy Silvears Jewellery Private Limited	2,25,371	1.64%
7	Luxmi Township Limited	1,50,097	1.09%
8	Aadi Financial Advisors LLP	1,48,828	1.08%
9	Infina Finance Private Limited	1,30,000	0.95%
10	Anshul Saigal	1,16,914	0.85%

**COMPLIANCE WITH NON-MANDATORY DISCLOSURES**

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

The Board:

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

Remuneration Committee:

Details are given under the heading 'Remuneration Committee'.

Shareholder rights:

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

Audit qualifications:

The Company endeavours to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2018.

Training of Board Members

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

Whistle Blower Policy

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

Corporate Social Responsibility Policy

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

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

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

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

We have examined the compliance of condition of Corporate Governance of M/s. Thangamayil Jewellery Limited for the year ended 31st March, 2018 as stipulated in Regulation 27 of SEBI (LODR) of the Listing Agreement of the said company with Stock Exchanges.

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

Certify that:

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

For Thangamayil Jewellery Limited

BALARAMA GOVINDA DAS

Managing Director

Ba. RAMESH

Joint Managing Director

N.B. KUMAR

Joint Managing Director

ANNUAL DECLARATION OF CODE OF CONDUCT BY MANAGING DIRECTOR

This is to confirm that the Board has laid down a code of conduct for all the Board members and senior management of the company. It is further confirmed that all directors and senior management of the company have affirmed compliance with the code of conduct of the company for the year ended 31st March 2018 as envisaged in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

For Thangamayil Jewellery Limited

Balarama Govinda Das

Managing Director

Place : Madurai

Date : May 25, 2018



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 2018, 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 Srinivas & Padmanabhan

Chartered Accountants

Firm's Registration Number:004021S

K.M.Padmanabhan

Partner

M.No:026594

Place : Madurai

Date : May 25, 2018

**INDEPENDENT AUDITOR'S REPORT****To the Members of Thangamayil Jewellery Limited****Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of THANGAMAYIL JEWELLERY LIMITED ("the Company"), which comprise the balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement for changes in equity for the year ended, and a summary of the 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 the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act with the Companies (Indian Accounting Standards) Rules ,2015 , as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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 March 31, 2018, and its profit, (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

**Other Matter**

The transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 dated 25th May, 2016 expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Report on Other 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 Section 143(11) of the Act, we give in "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, based on our audit 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 purposes 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material 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

For Srinivas & Padmanabhan
Chartered Accountants,
F.Reg No: 004021S

K.M.Padmanabhan
Partner
M.No: 026594
Place – Madurai
Date – 25th May 2018

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

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

- I) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the company and no material discrepancies were noticed on such verification. In our opinion, frequency of verification is reasonable, having regard to the size of the company and nature of business.
(c) According to the information and explanation given to us, the tiles 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 2018 for a period of more than six months from the date they become payable.
b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax value added tax and GST have not been deposited by the Company on account of disputes:



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

- viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders. There were no debenture holders at any time during the year.
- ix) In our opinion, and according to the information and explanations given to us, the term loans obtained by the Company have been applied for the purpose for which they were raised. According to the information and explanation given to us, there was no money raised by way of initial public offer or further public offer by the Company during the year.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion, the company is not a Nidhi Company. Therefore the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order , 2016 are not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Srinivas & Padmanabhan
Chartered Accountants,
 F.Reg No: 004021S

K.M.Padmanabhan
Partner
 M.No: 026594

Place: Madurai
Date: 25th May 2018

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls over financial under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Thangamayil Jewellery Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date which includes a jointly controlled operation

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has to the best of our information and according to the information given to us the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For Srinivas & Padmanabhan
Chartered Accountants,
F.Reg No: 004021S

K.M.Padmanabhan
Partner
M.No: 026594

Place: Madurai
Date: 25th May 2018



Balance Sheet				
(₹ in Lakhs)				
Particulars	Notes	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	7,188.56	6,889.65	7,237.46
(b) Capital work-in-progress	2.1	86.90	73.37	121.76
(c) Intangible assets	3	231.46	343.01	524.32
(d) Financial assets				
(i) Other financial assets	4	41.39	36.54	36.66
(e) Deferred tax assets (Net)	5	-	547.41	1,079.31
(f) Other non-current assets	6	976.33	1,050.68	941.40
Total Non-Current Assets		8,524.65	8,940.67	9,940.90
Current Assets				
(a) Inventories	7	47,589.73	31,200.42	28,092.31
(b) Financial assets				
(i) Trade receivables	8	130.10	85.02	26.90
(ii) Cash and cash equivalents	9	367.69	942.33	202.45
(iii) Bank balances other than (ii) above	10	2,819.95	1,079.33	737.07
(iv) Other financial assets	11	37.50	19.68	19.70
(c) Current Tax Assets(net)	12	1,278.15	1,020.27	413.22
(d) Other current assets	13	311.82	378.63	508.12
Total Current Assets		52,534.94	34,725.68	29,999.77
TOTAL ASSETS		61,059.59	43,666.35	39,940.68
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	1,371.96	1,371.96	1,371.96
(b) Other equity	15	15,500.68	13,561.79	12,331.65
Total Equity		16,872.64	14,933.75	13,703.61
Non-Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16	3,062.44	3,556.24	5,753.88
(b) Deferred Tax Liabilities (net)	5	158.90	-	-
Total Non-Current Liabilities		3,221.34	3,556.24	5,753.88
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	15,966.66	5,881.13	6,999.30
(ii) Trade payables	18	5,844.21	8,795.56	4,486.18
(iii) Other financial liabilities	19	4,290.55	2,823.32	2,128.36
(b) Other current liabilities	20	14,864.19	7,676.35	6,869.35
Total Current Liabilities		40,965.61	25,176.36	20,483.19
Total Liabilities		44,186.95	28,732.60	26,237.07
TOTAL EQUITY AND LIABILITIES		61,059.59	43,666.35	39,940.68

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

This is the balance sheet referred to in our report of the even date attached

For Srinivas & Padmanabhan

Chartered Accountants

Firm's Regn. No.: 004021S

K.M. Padmanabhan

Partner

M.No.026594

Date - May 25, 2018

Place - Madurai

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

Managing Director

Jt Managing Director

Jt Managing Director

Independent Director

Independent Director

For Thangamayil Jewellery Limited
S. Rethinavelu
V.Ramasamy
Yamuna Vasini Deva Dasi
V. Vijayaraghavan
B.Rajeshkanna

Independent Director

Independent Director

Director

Company Secretary

Chief Financial Officer

DIN: 00935338

DIN: 00039262

DIN: 01388187

DIN: 01334048



STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in Lakhs)

Particulars	Notes	For the Year Ended	
		31st March 2018	31st March 2017
I Revenue from operations	21	137,929.29	129,945.92
II Other income	22	155.39	113.07
III Total income (I+II)		138,084.68	130,058.98
IV Expenses:			
Cost of materials consumed	23	134,459.22	102,448.26
Purchases of stock-in-trade	24	6,388.88	18,208.17
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(16,864.51)	(2,138.46)
Manufacturing Expenses	26	1,127.70	533.91
Employee benefits expenses	27	3,197.42	2,627.94
Finance costs	28	1,879.48	2,083.96
Depreciation and amortization expense	29	816.52	943.38
Other expenses	30	3,686.27	3,421.61
Total expenses		134,690.98	128,128.77
V Profit before tax (III-IV)		3,393.70	1,930.22
VI Tax expenses	31		
- Current Tax		394.16	415.83
Less:MAT credit entitlement		-	(415.83)
- Deferred Tax		712.28	532.74
Total Tax Expenses		1,106.44	532.74
VII Profit for the year (V-VI)		2,287.26	1,397.48
VIII Other comprehensive income			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Re-measurements loss of the defined benefit plans		(18.95)	(3.05)
Deferred tax charges		5.97	0.84
Total other comprehensive income for the year , net of tax		(12.98)	(2.21)
IX Total comprehensive income for the year (VII+VIII)		2,274.28	1,395.27
X Earnings per equity share of Re.10 each			
Basic		16.58	10.17
Diluted		16.58	10.17
Summary of significant accounting policies	1		

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

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

For Srinivas & Padmanabhan

Chartered Accountants

Firm's Regn. No.: 004021S

K.M. Padmanabhan

Partner

M.No.026594

Date - May 25, 2018

Place - Madurai

Balarama Govinda Das

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For Thangamayil Jewellery Limited

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Independent Director

Director

Company Secretary

Chief Financial Officer

DIN: 00935338

DIN: 00039262

DIN: 01388187

DIN: 01334048



Statement of Changes in Equity

For the year ended 31 March, 2018

Equity Share Capital

(A)

	Number of shares	(₹ in Lakhs)
Balance as at 1st April 2016	13,719,582	1,371.96
Add: Equity shares allotted during the year	-	-
Balance as at 31st March 2017	13,719,582	1,371.96
Add: Equity shares allotted during the year	-	-
Balance as at 31st March 2018	13,719,582	1,371.96

(B) Other Equity

(₹ in Lakhs)

Particulars	Reserve and Surplus				Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	
Opening balance as at 1st April, 2016	3,175.80	2,181.95	6,963.20	10.69	12,331.65
Profit for the year	-	-	1,397.48	-	1,397.48
Other comprehensive income for the year, net of income tax	-	-	-	-2.21	-2.21
Dividend including dividend distribution tax	-	-	-165.13	-	-165.13
Transfer to General Reserve	-	-	-	-	-
Closing balance as at 31st March, 2017	3,175.80	2,181.95	8,195.55	8.48	13,561.79
Profit for the year	-	-	2,287.26	-	2,287.26
Other comprehensive income for the year, net of income tax	-	-	-	-12.98	-12.98
Dividend including dividend distribution tax	-	-	-335.39	-	-335.39
Transfer to General Reserve	-	300.00	-300.00	-	-
Closing balance as at 31st March, 2018	3,175.80	2,481.95	9,847.43	-4.50	15,500.68

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

For and on behalf of the Board of Directors

For Srinivas & Padmanabhan

Chartered Accountants

Firm's Regn. No.: 004021S

K.M. Padmanabhan

Partner

M.No.026594

Date - May 25, 2018

Place - Madurai

Balarama Govinda Das

Ba.Ramesh

NB.Kumar

Lalji Vora

V. R. Muthu

Managing Director DIN: 00266424

Jt Managing Director DIN: 00266368

Jt Managing Director DIN: 01511576

Independent Director DIN: 01899070

Independent Director DIN: 01908841

For Thangamayil Jewellery Limited

S. Rethinavelu

V.Ramasamy

Yamuna Vasini Deva Dasi

V. Vijayaraghavan

B.Rajeshkanna

Independent Director DIN: 00935338

Independent Director DIN: 00039262

Director DIN: 01388187

Company Secretary

Chief Financial Officer DIN: 01334048



Statement of Cash Flows

(₹ in lakhs)

Particulars	For the Year Ended	
	31st March 2018	31st March 2017
Cash flow from operating activities		
Net profit before tax	3,393.70	1,930.22
Adjustments for :		
Depreciation and amortization expenses	816.52	943.38
Profit on sale of Property ,plant & equipment	(1.26)	(7.66)
Re measurement gain/ losses on employee defined benefit plans	(18.95)	(3.05)
Interest income	(130.73)	(92.23)
Interest expense	1,879.48	2,083.96
Impairment of assets	47.15	21.32
Operating profit before working capital changes	5,985.91	4,875.94
Movements in working capital:		
(Increase) / Decrease in inventories	(16,389.32)	(3,108.10)
(Increase) / Decrease in trade receivables	(45.08)	(58.13)
Decrease/ (Increase) in Other financials and non financial assets	118.48	20.36
(Decrease)/ Increase in trade payable and other financial and non financial liabilities	5,703.72	5,811.33
Cash Generated from Operations	(4,626.27)	7,541.40
Income taxes paid	(652.04)	(607.06)
Net cash generated from operating activities (A)	(5,278.31)	6,934.34
Cash flow from investing activities		
Payment for Property ,Plant & Equipment ,Intangible assets including capital Advances	(1,071.22)	(392.64)
Proceeds from sale of Property ,plant & equipment	7.92	13.10
Bank deposits not considered as cash and cash equivalents (net)	(1,740.62)	(342.27)
Interest received	130.73	92.23
Net cash used in investing activities (B)	-2,673.18	-629.58
Cash flow from financing activities		
Proceeds / (Repayment) of borrowings	9,628.18	-1,862.06
Proceeds / (Repayment) of Other borrowings	(36.45)	(1,453.74)
Interest paid	(1,879.48)	(2,083.96)
Dividend paid (including corporate dividend tax)	(335.39)	(165.13)
Net cash used in financing activities (C)	7,376.86	(5,564.89)
Net increase in cash and cash equivalents(A+B+C)	(574.63)	739.87
Cash and cash equivalents - opening balances	942.33	202.45
Cash and cash equivalents at the end of the year	367.69	942.33
Components of cash and cash equivalents		
Cash on hand	298.49	405.27
Balance with Banks	-	-
On Current Account	69.21	537.06
Total cash and cash equivalents	367.69	942.33

Notes:

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

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

For and on behalf of the Board of Directors

For Srinivas & Padmanabhan

For Thangamayil Jewellery Limited

Chartered Accountants

Firm's Regn. No.: 004021S

K.M. Padmanabhan

Partner

M.No.026594

Date - May 25, 2018

Place - Madurai

Balarama Govinda Das Managing Director DIN: 00266424

Ba.Ramesh Jt Managing Director DIN: 00266368

N.B.Kumar Jt Managing Director DIN: 01511576

Lalji Vora Independent Director DIN: 01899070

V. R. Muthu Independent Director DIN: 01908841

S. Rethinavelu Independent Director DIN: 00935338

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Yamuna Vasini Deva Dasi Director DIN: 01388187

V. Vijayaraghavan Company Secretary

B.Rajeshkanna Chief Financial Officer DIN: 01334048



1. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

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

Upto the year ended March 31, 2017, the company had prepared and presented its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition is April 1, 2016. Refer note 1 for the details of first – time adoption exemptions availed by the Company.

(ii) Basis of preparation and presentation

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

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

(iii) Use of Estimates and judgement

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

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

(iv) Revenue Recognition

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

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

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

(v) Inventories

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

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

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

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1st April 2016(transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

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

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

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

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

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

(vii) Capital work in progress

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

(viii) Borrowing cost

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

**(ix) Foreign Exchange Transactions**

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

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

(x) Retirement Benefits

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

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

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

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

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

b) Operating Lease

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

(xii) Intangible Fixed Assets

For transition to Ind AS, the Company has elected to continue with the carrying value of its intangible assets recognised as at 1st April 2016(transition date) measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

(xiii) Expenses

a) All expenses including interest and finance charges are accounted for on accrual basis.

b) Prior period items, if material, are disclosed separately.

(xiv) Research and Development

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

(xv) Redemption of Customer Loyalty Points

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

**(xvi) Advance from Customers**

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

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

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

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

(xvii) Gold Metal Loan

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

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

(xviii) Taxes on Income

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

Minimum alternate tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is 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 tax: Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

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

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



(xix) Impairment of assets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

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

(xx) Provisions, Contingent Liabilities

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable. Contingent liabilities are disclosed by way of Notes 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.

(xxi) Financial instruments

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

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

1) Non-derivative Financial assets:

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

2) Impairment of financial assets

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



3) Foreign exchange gains and losses

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

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

For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the statement of profit and loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

Financial Liabilities

1) Financial liabilities

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

2) Financial liabilities at FVTPL

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

3) Foreign exchange gains and losses

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

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





Note 2 -Property, Plant and Equipment									
(₹ in lakhs)									
Particulars	Freehold land	Leasehold land	Buildings (owned)	Buildings (On leasehold)	Plant and equipment (Owned)	Furniture and fixtures	Vehicles	Computer Hardware	Tangibles Total
Cost/Deemed Cost									
At 1 April 2016	2,276.55	-	1,188.92	91.31	1,204.98	3,801.31	338.57	1,158.76	10,060.40
Additions	-	-	52.33	12.51	95.87	119.44	68.86	61.35	410.37
Deductions	-	-	-	-	-	37.48	36.68	-	74.16
Other adjustments (refer note c below)	-	-	-	-	-	-	-	-	-
At 31 March 2017	2,276.55	-	1,241.25	103.82	1,300.85	3,883.28	370.74	1,220.12	10,396.61
Additions	332.99	-	49.07	4.37	182.58	292.62	111.66	56.44	1,029.74
Deductions	-	-	-	-	-	101.18	30.62	-	131.80
Other adjustments (refer note c below)	-	-	-	-	-	-	-	-	-
At 31 March 2018	2,609.54	-	1,290.33	108.19	1,483.44	4,074.72	451.78	1,276.56	11,294.56
Accumulated depreciation and impairment									
At 1 April 2016	-	-	100.87	21.49	323.75	1,242.61	216.29	917.92	2,822.95
Depreciation expense	-	-	18.98	1.27	86.77	411.61	52.84	159.94	731.42
Deductions	-	-	-	-	-	16.16	31.25	-	47.40
At 31 March 2017	-	-	119.85	22.76	410.53	1,638.07	237.89	1,077.87	3,506.96
Depreciation expense	-	-	20.51	1.39	97.04	409.65	46.11	102.32	677.02
Deductions	-	-	-	-	-	54.03	23.96	-	77.98
Other adjustments	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	-	140.37	24.15	507.56	1,993.69	260.04	1,180.18	4,105.99
Carrying Value									
At 31 March 2018	2,609.54	-	1,149.96	84.04	975.88	2,081.03	191.74	96.38	7,188.56
At 31 March 2017	2,276.55	-	1,121.40	81.06	890.33	2,245.21	132.85	142.25	6,889.65
At 1 April 2016	2,276.55	-	1,088.05	69.82	881.23	2,558.70	122.27	240.84	7,237.46
2.1 Capital Work-in Progress									
Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016						
Balance at the beginning of the year	73.37	121.76	769.42						
Additions during the year	-	-	-						
Transfer to property, plant and Equipment	13.53	48.39	647.67						
Balance at the end of the year	86.90	73.37	121.76						

(i) Capital work in progress: capital work in progress mainly comprise plant and machinery, building and furniture
(ii) Refer to Note No.: 16 for information on property, plant and equipment pledged as security of the Company



Note 3 - Intangibles Assets			(₹ in lakhs)
Intangibles	Computer software	Intangibles Total (B)	
Cost /deemed Cost			
At 1 April 2016	1,027.50	1,027.50	
Additions	30.66	30.66	
Deductions	-	-	
At 31 March 2017	1,058.16	1,058.16	
Additions	27.95	27.95	
Deductions	-	-	
At 31st March 2018	1,086.10	1,086.10	
Accumulated amortization and impairment			
At 1 April 2016	503.18	503.18	
Amortization expense	211.97	211.97	
Deductions	-	-	
At 31 March 2017	715.14	715.14	
Additions	139.50	139.50	
Deductions	-	-	
At 31st March 2018	854.64	854.64	
Net book value			
At 31st March 2018	231.46	231.46	
At 31 March 2017	343.01	343.01	
At 1 April 2016	524.32	524.32	

Notes to the Financial Statements				(₹ in lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	
Note 4 - Other Financial Assets (Non-Current)				
Deposits with Government / Statutory bodies	41.39	36.54	36.66	
Total	41.39	36.54	36.66	
Note 5 - Deferred Tax Liabilities / (Assets)				
Deferred Tax Assets				
Disallowance under Section 43B of Income Tax Act, 1961	38.09	18.72	28.74	
Unabsorbed losses	-	786.99	1,379.87	
Total	38.09	805.71	1,408.61	
Deferred Tax Liabilities				
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of Property, plant and equipment.	196.98	258.30	329.29	
	196.98	258.30	329.29	
Deferred Tax Liabilities/ (Assets)	158.90	-547.41	-1,079.31	
Opening balance	-547.41	-1,079.31	-	
Add: Tax Income during the year recognised in profit & loss	712.28	532.74	-	
Add: Tax Income during the year recognised in Other comprehensive Income	-5.97	-0.84	-	
Closing balance	158.90	-547.41	-	



Notes to the Financial Statements			(₹ in lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Note 6 - Other Non Current Assets			
Unsecured			
Capital Advances	283.21	366.57	279.54
Unsecured , Considered good			
Advance recoverable in cash or kind			
Unsecured , considered good	37.71	36.37	34.09
Rental Advances - Unsecured , Considered Good	655.42	647.75	627.77
Total	976.33	1,050.68	941.40
Long term loans and advances include 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.			
Note 7 - Inventories			
Raw Materials	1,293.16	1,685.45	697.05
Work-in-Progress	5,862.36	4,022.33	4,748.48
Finished Goods	40,309.58	25,285.10	22,420.49
Packing Materials and Gift items	124.63	207.54	226.29
Total	47,589.73	31,200.42	28,092.31
Mode of Valuation			
Inventories including company's stock held with gold smiths are valued at lower of cost or net realizable value. The cost of raw material inventories is computed on a FIFO basis. The cost of finished goods and work in progress includes cost of conversion and other cost incurred in bringing the Inventories to their present location and condition.			
Cost is generally determined on FIFO basis and wherever required, appropriate direct on cost are taken into account. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.			
Hedging mechanism of entering into forward contract against appropriate underlying assets is primarily used by the company to hedge the price fluctuation exposure of those underlying assets. The fair value adjustment arising out of such transactions is forming part of cost of assets procured.			
Packing materials and Gift items are valued at cost on FIFO basis.			



Notes to the Financial Statements			(₹ in lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Note 8 - Trade Receivables			
Unsecured, Considered Good			
- Outstanding for a period exceeding six months	3.33	-	-
- Others	126.77	85.02	26.90
Total	130.10	85.02	26.90
Note 9 - Cash and Cash Equivalents			
Balances with banks			
In current accounts	63.83	532.75	76.29
In term deposit accounts with maturity less than 3 months at inception			
Cheques on hand	5.38	4.31	0.85
Cash on hand	298.49	405.27	125.32
Total	367.69	942.33	202.45
Note 10 - Bank Balance other than Cash & Cash Equivalents			
Earmarked balances			
In Dividend Accounts	5.48	3.93	3.88
In term deposit accounts			
with maturity more than 3 months but less than 12 months at inception	653.75	359.51	129.03
Fixed Deposit / Margin Money Deposit under Lien	2,160.72	715.89	604.15
Total	2,819.95	1,079.33	737.07
Note 11 - Other Financial Assets (Current)			
Unsecured - Advances to Employees	37.50	19.68	19.70
Total	37.50	19.68	19.70
Note 12 - Current Tax Assets (Net)			
Advance Payment of Income Tax (Net of Provisions)	1,278.15	1,020.27	413.22
Total	1,278.15	1,020.27	413.22
Note 13 - Other Current Assets			
Advance Recoverable in Cash or kind	3.38	109.01	92.41
Unsecured , considered good			
Advance to Suppliers/ Expenses	222.50	188.84	314.75
Prepaid Expenses	85.94	80.78	100.97
Total	311.82	378.63	508.12



Notes to the Financial Statements

(₹ in lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Note 14 - Equity Share Capital			
Authorised Share capital:			
200,00,000 (31-03.2017: 200,00,000 - 01.04.2016: 200,00,000) Equity Shares of Rs. 10 each	2,000.00	2,000.00	2,000.00
Issued, subscribed and fully paid up shares			
13,719,582 Equity shares (March 31, 2017: 1,37,19,582 April 1, 2016: 1,37,19,582) of ₹10 each, fully paid.	1,371.96	1,371.96	1,371.96
Total Issued, subscribed and fully paid up Share Capital	1,371.96	1,371.96	1,371.96
a) Reconciliation of Number of Shares outstanding and amount at the beginning and at the end of the year			
		Numbers	(₹ in lakhs)
Number of shares at the beginning of the year as at April 1, 2016		13,719,582	1,371.96
As at March 31, 2017		13,719,582	1,371.96
As at March 31, 2018		13,719,582	1,371.96
b) Rights, preferences and restrictions attached to equity shares			
The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.			
In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholdings.			
c) Of the above the following shares were issued and allotted for consideration other than cash:			
d) Details of shareholders holding more than 5% equity shares in the company			

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No of shares	% of shares	No of shares	% of shares	No of shares	% of shares
Equity shares of Rs. 10 each fully paid						
Ba. Ramesh	2,703,196	19.70%	2,881,603	21.00%	2,881,603	21.00%
Balarama Govinda Das	2,678,922	19.53%	2,857,329	20.83%	2,857,329	20.83%
N.B. Kumar	2,663,044	19.41%	2,841,451	20.71%	2,841,451	20.71%
SBI Mutual Fund Group	817,000	5.95%	947,000	6.90%	1,046,825	7.63%
Thangamayil Gold & Diamond Pvt Ltd.,	701,671	5.11%	701,671	5.11%	701,671	5.11%



Notes to the Financial Statements			(₹ in lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Note 15 - Other Equity			
Securities Premium Reserve	3,175.80	3,175.80	3,175.80
Balance at the beginning of the year			
	3,175.80	3,175.80	3,175.80
General Reserve	2,181.95	2,181.95	1,981.95
Balance at the beginning of the year			
Add: Transfer from surplus	300.00	-	200.00
Balance at the end of the year	2,481.95	2,181.95	2,181.95
Retained earnings			
Balance at the end of the year	9,847.43	8,195.55	6,963.20
Other Reserve			
Other comprehensive income :			
Re-measurment of the net defined benefit plans	(4.50)	8.48	10.69
Total	15,500.68	13,561.79	12,331.65
Securities premium Reserve			
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.			
General Reserve			
General Reserve is the retained earnings of the Company which are kept aside out of the Company's profits to meet used to record future (Known or unknown) obligations.			
Retained earnings			
Retained earnings comprise of the Company's prior years undistributed earnings after taxes.			
Distributions made and proposed			
The Board of Directors at its meeting held on May 25, 2016 had declared a dividend of ₹ 1 per Equity shares of par value of ₹10 each and the same was paid during the year ended 31st March 31, 2017. The proposal was approved by shareholders at the Annual General Meeting held on July 27, 2016. This has resulted in a total outflow of ₹ 165 lakhs including corporate dividend tax of ₹ 28 lakhs. The Board of Directors at its meeting held on May 18, 2017 had declared a dividend of ₹ 2 per Equity shares of par value of ₹10 each and the same was paid during the year ended 31st March 31, 2017. The proposal was approved by shareholders at the Annual General Meeting held on July 26, 2017. This has resulted in a total outflow of ₹335 lakhs including corporate dividend tax of ₹ 61 lakhs.			
The Board of Directors in its meeting held on May 25, 2018 have proposed a dividend of ₹ 3.5 per Equity shares of par value of ₹ 10 each for the financial year ended March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on August 1, 2018 and if approved would results in a cash outflow of approximately ₹ 579 lakhs including corporate dividend tax of ₹ 99 lakhs.			



Notes to the Financial Statements			(₹ in lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Non Current Finance Liabilities			
Note 16 - Long term Borrowings			
Term loans:			
Secured Loan from Bank	-	496.00	1,250.00
Unsecured			
Fixed Deposit from Public	1,748.69	2,673.19	3,362.38
Loans from Directors and Others	1,240.00	351.96	1,116.50
Hire Purchase Vehicle Loan	73.75	35.10	25.00
Total	3,062.44	3,556.24	5,753.88
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 Term loan is repayable on demand and carries interest of 11.50% p.a			
Fixed deposit includes ₹ 762.65 lakhs (₹ 777.25 lakhs) secured by all movable properties such as furniture, fixtures, computers, Fitting excluding plant and machinery of the company.			
₹ 1212.45 lakhs (₹8.25 lakhs) Fixed Deposit carry interest @9.5% and are repayable 2 years from the respective years.			
₹536.24 lakhs (₹ 2310.69 lakhs) Fixed Deposit carry interest @11.5% and are repayable 3 years from the respective years			
Vehicle Loan is secured by the respective vehicles			
Current Financial Liabilities			
Note 17 - Short term Borrowings			
- Cash Credit loan from Banks	5,628.09	3,426.51	6,999.30
- Gold Metal loan from Banks	8,557.17	2,454.63	-
- Gold Metal loan from Banks against Fds	1,781.40	-	-
Total	15,966.66	5,881.13	6,999.30
The above working capital loans extended by multiple banking system are secured by a pari passu charge on stocks and book debts of the company.			
The loan extended by banks are further collaterally secured by equitable mortgage of Company's properties in the case of HDFC Bank properties at Trichy, Tuticorin, Madurai and in the case of Karur Vysya Bank property at Oppanakara Street at Coimbatore and in the case of Indusind Bank property at Ramnad and in the case of Axis Bank property at Bazaar Street, Salem and in the case of Yes Bank property at alwarpuram and in the case Federal Bank property at Nethaji Road, Madurai.			
Security for Tamilnadu Mercantile Bank property at Madurai owned by Managing Director of the Company and Karur Vysya Bank loan collaterally secured by property owned by Whole time Director and their close relatives and for Axis Bank loan secured by whole time directors properties at Madurai.			



Notes to the Financial Statements			(₹ in lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
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. Gold Metal loan from Banks against Fixed deposit of the respective banks. All the above mentioned collateral securities owned by the company and by the respective whole time directors are given to the respective banks as indicated above are given on exclusive basis and not on a pari passu charge basis and also is in accordance with sanction terms and conditions of the respective banks. The cash credit is repayable on demand and carries interest of 8.75% to 12.00% p.a. The Gold Metal Loan carries interest @ 1.90% to 3.50% p.a. All the above loans are further secured by personal guarantee of whole time directors of the company.			
Note 18- Trade Payables			
For Goods - Secured	4,928.94	7,705.21	4,327.68
Unsecured	915.27	1,090.34	158.50
Total	5,844.21	8,795.56	4,486.18
Trade Payables includes a sum of ₹ 4928.94 lakhs (Previous year ₹ 6085.00 lakhs) as Gold Metal loan availed from Bank of Nova Scotia against SBLC guarantee extended by Karur Vysya Bank, Indusind Bank and Axis Bank for whom tangible securities were extended as covered under Note No.16			
Note 19 - Other financial liabilities			
Current maturities of long-term borrowing	890.63	754.00	750.00
Current maturities of finance lease obligation	59.14	35.04	16.77
Fixed Deposit from Public	2,937.62	1,670.17	1,064.11
Interest accrued but not due on Fixed Deposits	403.16	364.12	271.18
Payable for Capital Goods	-	-	26.31
Total	4,290.55	2,823.32	2,128.36
Fixed deposit includes ₹23.56 lakhs (₹ 98.37 lakhs) secured by all movable properties such as furniture, fixtures, computers, Fitting excluding plant and machinery of the company.			
Fixed Deposits from public are repayable within 12 Months from the reporting date.			



Notes to the Financial Statements			(₹ in lakhs)
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Note 20 - Other current liabilities			
Provision For Gratuity	4.36	-	-
Advances From Customers	14,612.76	7,499.67	6,618.06
Liabilities for Expenses	241.60	172.75	247.42
Unclaimed Dividends	5.47	3.92	3.87
Total	14,864.19	7,676.35	6,869.35
Advances from customers includes an amounts of ₹14,554.20 lakhs (As on 31st March 2017 ₹ 7,460.67 lakhs, As on 1st April 2016 ₹6,564.77 lakhs) received towards sale of jewellery products under various sale initiatives/retail customer schemes.			
Advance from Customers are redeemable by way of sale alone within 11 Months from the reporting date.			
Particulars	For the Year Ended 31-March-2018	For the Year Ended 31-March-2017	
Note 21 - Revenue from operations			
Sale of Products - Gold , Silver and Diamond			
Finished Goods	131,419.34	111,584.89	
Traded Goods	6,509.95	18,361.02	
Total	137,929.29	129,945.92	
Note 22 - Other Income			
Interest Income(TDS ₹12.83 lakhs (P.Y ₹ 7.84 lakhs)	130.73	92.23	
Other Operating Income	24.67	20.83	
Total	155.39	113.07	
Note 23- Cost of raw materials consumed			
Opening Stock	1,685.45	697.06	
Add : Purchases	134,066.93	103,436.65	
	135,752.38	104,133.71	
Less: Closing Stock	1,293.16	1,685.45	
	134,459.22	102,448.26	
Note 24 - Purchase of Stock-in- trade			
Traded goods	6,388.88	18,208.17	
	6,388.88	18,208.17	
Note 25 - Changes in Inventories of finished goods, work in progress and stock in trade			
Closing Stock			
Work in Progress	5,862.36	4,022.33	
Finished Goods	40,309.58	25,285.10	
	46,171.94	29,307.43	
Opening Stock			
Work in Progress	4,022.33	4,748.4	
Finished Goods	25,285.10	22,420.49	
	29,307.43	27,168.97	
Increase /Decrease in Work in Progress and Finished Goods and stock in trade	(16,864.51)	(2,138.46)	



Particulars	For the Year Ended 31-March-2018	For the Year Ended 31-March-2017
Note 26 - Manufacturing expenses		
Making Charges	1,083.35	489.79
Stores and consumable	23.18	22.77
Manufacturing Wages	21.17	21.34
Total	1,127.70	533.91
Note 27 - Employee benefits expense		
Salaries and Bonus	2,614.66	2,028.69
Contribution to PF and Other Funds	225.77	200.50
Staff Welfare Expenses	176.99	218.76
Director's Remuneration	180.00	180.00
Total	3,197.42	2,627.94
Note 28 - Finance costs		
Interest on		
- Working capital Loan	411.19	672.30
- Term Loan and Others	242.48	392.51
- Gold Metal Loan	329.97	185.37
- Fixed Deposits	572.75	556.11
Bank Charges and Commission	323.10	277.68
Total	1,879.48	2,083.96
Note 29 - Depreciation and amortization expense		
Depreciation of property, plant and equipment (Refer note 2)	677.02	731.42
Amortisation of intangible assets (Refer note 3)	139.50	211.97
Total	816.52	943.38
Note 30 - Other expenses		
Rent	345.06	369.95
Rates & Taxes	164.06	70.20
Excise Duty	183.18	581.08
Insurance	71.00	84.59
Power and Fuel	349.43	307.17
Postage and Telephone charges	109.53	104.53
Advertisement and Publicity Expenses	1,022.76	1,067.79
Selling Promotional Expenses	645.68	214.34
Travelling Expenses	140.36	72.65
Director's Sitting Fees	1.05	0.95
Professional Charges	112.03	80.80
Printing and Stationery	41.37	30.41
Payment to Auditors (Note 30 A)	28.85	41.20
Repairs & Maintenance		
- for Building	26.87	12.87
- for Vehicles and others	173.25	195.18
Security Charges	117.99	112.08
Impairment of Assets	47.15	21.32
Corporate Social Responsibility expenses(Note 30 B)	51.76	19.66
Donation and Others	10.26	7.67
Other Expenses	44.63	27.15
Total	3,686.27	3,421.61



Particulars	For the Year Ended 31-March-2018	For the Year Ended 31-March-2017
Note 30 A - Auditors remuneration		
For Statutory Audit	12.00	17.50
For Tax Audit	5.00	4.50
For Limited Review	9.85	14.20
For Certification Work etc.	2.00	5.00
Total	28.85	41.20
Note 30 B - Details of CSR Expenditure		
(a) Gross Amount required to be spent by the company	53.34	73.00
(b) Amount spent during the year ended		
(i) Construction / acquisition of any assets	-	-
(ii) On Purposes other than (i) above	51.76	19.66
(c) Amount unspent during the year ended	1.57	53.34
Note 31 - Taxes		
(a) Income tax expenses		
The major components of income tax expenses		
Current tax	394.16	415.83
Less: MAT Credit Entitlement	-	(415.83)
Deferred tax charge/ (credit)	712.28	532.74
Total income tax expenses recognised in statement of profit and loss	1,106.44	532.74
Other Comprehensive Income		
Deferred Tax related to items recognised in OCI during the year		
Net Loss / (gain) on reimbursements on defined benefits Plans	5.97	0.84
	5.97	0.84
(b) Reconciliation of effective tax rate:		
Profit Before Tax (A)	3,393.70	1,930.22
Enacted tax rate in India	34.608%	34.608%
Expected tax expenses(C=A*B)	1,174.49	668.01
Effect of :		
Depreciation impact under Income Tax Act, 1961	(27.09)	(69.56)
Expenses disallowed under Income Tax Act, 1961	29.17	17.88
Effect due to MAT , Allowance and Deduction	124.31	222.71
Income tax expenses	1,106.44	532.74
(c) Reconciliation of deferred tax liabilities / (assets) Net		
Opening Balance as on	(547.41)	(1,079.31)
Tax (income) / expenses during the year recognised in profit and Loss account	712.28	532.74
Tax (income) / expenses during the year recognised in OCI	(5.97)	(0.84)
Closing Balance as at 31st March	158.90	(547.41)

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

(₹ in lakhs)

Description	2017-18	2016-17
Estimated value of Contract remaining to be executed on capital account net of advances not provided for.	30.00	25.00

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

c) In respect of – outstanding Letter Credit given to bankers ₹ 4928.94 Lakhs (previous year ₹ 6085.00 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 ₹ 55.32 lakhs raised by assessing officer, as per order under Section 143 (2) of the Income Tax Act 1961 due to disallowance pertaining to amortisation of Initial Public Offer (IPO) expenses under section 35D for Assessment Years 2010-11 to 2014-15. Company is in appeal before ITAT against said order.

33. 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.Prasannan, B.Rajeshkanna, 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.Yadeenthuranathan (Son-in-Law of Ba.Ramesh – JMD) - R. Gokul (Son of Ba. Ramesh, JMD) - K. Thamarai Selvi (Wife of N. B. Kumar, JMD) - B.K. Kishorelal (Son of N. B. Kumar, JMD)
c)	Enterprises over which Key Managerial Personnel (KMP) and their relatives have substantial interest	- Thangamayil Gold and Diamond Private Limited - Balusamy Silvers 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	2017-18	2016-17
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	304.45	105.99
Ba. Ramesh	756.44	113.95
N. B. Kumar	774.24	135.51
Rent Paid		
Balarama Govinda Das	7.35	34.50
Ba. Ramesh	0.35	2.50
N. B. Kumar	0.35	2.80
Rent Advances		
Balarama Govinda Das	30.00	35.00
Ba. Ramesh	-	5.00
N. B. Kumar	-	5.00
Interest Paid/ Payable		
Balarama Govinda Das	16.91	58.21
Ba. Ramesh	26.29	60.10
N. B. Kumar	27.25	61.79
Dividend Paid		
Balarama Govinda Das	57.14	28.57
Ba. Ramesh	57.64	28.82
N. B. Kumar	56.82	28.41
Transactions with Relatives of KMP		
Salary Paid		
B. Rajeshkanna	28.80	28.80
B. Prasannan	27.00	15.00
S.K.Yadeenthranathan	24.41	24.24
N.B. Arun	15.00	12.00
R.Gokul	18.00	12.00
Dividend Paid		
B. Rajeshkanna	0.42	0.21
B. Prasannan	0.42	0.21
K. Thamarai Selvi	0.46	0.23
Ba.R.Darmini	0.44	0.22
Yamuna Vasini Deva Dasi	0.40	0.20
R. Gokul	0.26	0.13
N.B. Arun	0.44	0.22



(₹ in lakhs)

Description	2017-18	2016-17
Enterprises over which KMP and their relatives have substantial interest		
Advance		
Thangamayil Gold and Diamond Private Limited	14.00	7.00
Balusamy Silvears Jewellery Private Limited	4.50	2.00
Dividend Paid		
Thangamayil Gold and Diamond Private Limited	14.02	7.01
Balusamy Silvears Jewellery Private Limited	4.50	2.25
Interest		
Thangamayil Gold and Diamond Private Limited	0.00	2.19
Balusamy Silvears Jewellery Private Limited	0.00	0.63

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

34. Earnings per Share

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

Particulars		2017-18	2016-17
a)	Amount used as the numerator Total comprehensive income for the year, net of tax (A) (₹ in Lakhs)	2,274.28	1,395.27
b)	Basic / Weighted average number of Equity Shares used as the denominator - (B)	13,719,582	13,719,582
c)	Nominal value of Equity shares (₹)	10	10
d)	Basic / Diluted Earnings per share - (A/B) (₹)	16.58	10.17

35. Segment Report

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

36. Employee Benefits

a) Defined Contribution Plan

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

₹ in Lakhs

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund	132.03	118.65
Employer's Contribution to Employees' State Insurance Scheme	72.90	57.65

b) Defined Benefit Plan

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



(₹ in lakhs)

Particulars		2017-18	2016-17
Change in Obligation			
1	Obligations at the beginning of the year	125.36	105.10
2	Add: Current Service Cost	22.00	20.53
3	Add: Interest Cost	10.03	8.41
4	Add: Actuarial (Gain)/Losses due to change in assumptions	18.95	3.05
5	Less: Benefits paid	16.62	11.73
6	Obligations at the end of the year	159.73	125.36
Fair value of Plan Assets			
1	Fair value of Plan assets at the beginning of the year	135.10	117.91
2	Add: Expected Return on Plan Assets	11.40	10.35
3	Add: Actuarial Gain/(Loss)	-	-
4	Add: Contribution	25.49	18.57
5	Less: Benefits paid	16.62	11.73
6	Fair value of Plan assets at the end of the year	155.37	135.10
Actual Return on Plan Assets			
1	Expected Return on Plan Assets	11.40	10.35
2	Actuarial Gain/(Loss) on Plan Assets	-	-
3	Actual Return on Plan Assets	11.40	10.35
Amount Recognized in Balance Sheet			
1	Present value of Obligation as at March 31	159.73	125.36
2	Less: Fair value of Plan Assets as at March 31	155.37	135.10
3	Net Liability/ (Asset) recognized in the Balance Sheet	4.36	(9.74)
Expenses recognized in Profit and Loss			
1	Current Service cost as per Valuation Report	22.00	20.53
2	Add: Interest cost	10.03	8.41
3	Less: Expected Return on Plan Assets	11.40	10.35
4	Less: Actuarial (Gain) / Loss	18.95	3.05
5	Expense recognized in Profit and Loss account	39.58	21.64
Actuarial Assumptions			
Discount Rate (Per Annum)		8%	8%
Expected Rate of Return on Plan Assets (per annum)		-	-
Salary Escalation (per annum)		5%	5%



a. Provision for gratuity fund of ₹ 4.36 Lakhs (Previous year ₹ 9.74 Lakhs) being the net liability recognized as per actuarial valuation of gratuity fund.

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.

37. The Company has entered in to leasing arrangements for its branch show room, manufacturing works and corporate office facilities. These lease are for periods ranging from 1 to 5 years with an option to the company for renewing at the end of the initial term. Rental Expenses for operating lease included in the Profit and Loss Account for the year is ₹ 345.06 Lakhs (Previous year ₹ 369.95 Lakhs).

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

(₹ in lakhs)

Particulars	2017-18	2016-17
Due within one year	275.77	355.02
Due within one to five year	1245.99	855.16
Due after five years	346.42	584.15

Finance leases

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

(₹ in lakhs)

Particulars	Minimum Lease payments Due	Present Value
Not later than 1 year	59.14	53.49
Due in within one to five years	73.75	60.41

38. The company is collecting advances from customers both in the form of gold and money and no value addition is charged as per terms of agreement at the time of sale of ornaments. The liability for receipt of customer advances in this category is accounted as and when received by the company. At the time of redemption entire value addition will be given as discount to the customers and no provision for such future discount is made in the accounts in accordance with the significant accounting policies of the company as the real time sale is contingent on redemption. As sum of ₹ 14554.20 Lakhs (Previous year ₹ 7460.67 Lakhs) is outstanding in such scheme as on 31st March 2018. The discount if any payable in future on redemption will be treated as reduction in sales realization.

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



40. Quantitative Information

For the year ended 31st March 2018

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

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

41. Details of Products Sold – Broad Heads

₹ in Lakhs

Particulars	2017-18	2016-17
Finished Goods Sold		
Gold Ornaments	122,477.94	102,716.17
Silver Items	8,941.40	8,868.72
	131,419.34	111,584.89
Traded Goods Sold		
Gold Ornaments	5,521.48	17,769.01
Diamonds	553.83	242.75
Silver Items	434.63	349.26
	6,509.94	18,361.02

**Details of Materials Consumed -Broad Heads**

₹ in Lakhs

Particulars	2017-18	2016-17
Details of Materials Consumed		
Gold Ornaments	117,536.56	112,509.79
Silver Items and Diamonds	7,574.74	6,542.08
	125,111.30	119,051.87

Details of Inventory – Broad Heads

(₹ in lakhs)

Particulars	2017-18	2016-17
Pure Gold	205.86	79.86
Gold Ornaments	43,581.11	28,279.68
Silver Items	2,989.21	2,190.86
Diamonds	688.93	442.48
	47,465.11	30,992.88

42. Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	2017-18	2016-17
Travelling Expenses	1.14	-

43. The Company has no dues to micro and small enterprises during the year ended March 2018 and March 2017.**44. Financial Risk Management Framework**

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

Liquidity Risk

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

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

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



(₹ in lakhs)

Particulars	Less than 1 year	1 to 5 years	Total
As at March 31, 2018			
Borrowings and Other financial Liabilities	15,966.66	3,062.45	19,029.11
Trade and Other Payable	10,134.76	-	10,134.76
Total	26,101.42	3,062.45	29,163.87
As at March 31, 2017			
Borrowings and Other financial Liabilities	5,881.13	3,556.24	9,437.37
Trade and Other Payable	11,618.88	-	11,618.88
Total	17,500.01	3,556.24	21,056.25
As at April 1, 2016			
Borrowings and Other financial Liabilities	6,999.30	5,753.88	12,753.18
Trade and Other Payable	6,614.54	-	6,614.54
Total	13,613.84	5,753.88	19,367.72

Market risk

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

Interest rate risk

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

Price risk

Gold price fluctuation risk could arise on account of frequent changes in gold prices either up or downside momentum. It could have adverse impact on earnings. We are maintaining our inventory price hedging around 65:35 basis. This will help the company with any gold price fluctuation of gold price. The company will take appropriate action in managing the fluctuation impact in gold price movement from time to time to increase to 75:25 basis.

45. Capital Management

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

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



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

(₹ in lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings – Total Liabilities	44,186.95	28,732.60	26,237.07
Less: Cash and Cash equivalents, other bank balances.	367.70	942.33	202.45
Net Debts (A)	43,819.25	27,790.27	26,034.62
Equity	16,872.64	14,933.75	13,703.61
Capital and Net debt (B)	60,691.89	42,724.02	39,738.23
Gearing Ratio (A/ B)	72%	65%	66%

46. FIRST TIME ADOPTION OF IND AS Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet as at 1 April 2016 (the transition date). In preparing its opening Ind AS balance sheet, the Company has made adjustments to the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provision of the Act (previous GAAP or Indian GAAP). Further, in view of the classification of current and non-current items adopted in accordance with the criteria specified in Ind AS 1 Presentation of Financial Statements the corresponding figures of the previous years have been appropriately reclassified where so ever necessary. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Optional Exemptions

1) Deemed cost - Property, plant and equipment and intangible assets were carried in the balance sheet prepared under previous GAAP as at March 31, 2016. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. April 01, 2016. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

2) Leases - Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/ arrangements.

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re measurement of the defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in the Other Comprehensive Income under Ind AS.

Under previous GAAP, liability for dividend and dividend distribution tax thereof is recognised in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Under Ind AS, dividend is recognised in the year in which the obligation to pay is established.

Estimates - An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP (after adjustments to reflect any difference in accounting policies) apart from certain new estimates that were not required under previous GAAP.



Reconciliation of Equity as at April 01, 2016 (Date of transition to Ind -AS)

(₹ in Lakhs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		7,237.46	-	7,237.46
Capital work-in-progress		121.76	-	121.76
Intangible assets		524.32	-	524.32
Financial assets				-
(i) Other financial assets		36.66	-	36.66
Deferred tax assets (Net)	2	1,295.12	215.81	1,079.31
Other non-current assets		941.40	-	941.40
Total non-current assets		10,156.71	215.81	9,940.90
Current assets				
Inventories		28,092.31	-	28,092.31
Financial assets				
Trade receivables		26.90	-	26.90
Cash and cash equivalents		202.45	-	202.45
Bank balances other than (ii) above		737.07	-	737.07
Other financial assets		19.70	-	19.70
Other current assets		921.34	-	921.34
Total current assets		29,999.77	-	29,999.77
Total Assets		40,156.48	215.81	39,940.68
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,371.96	-	1,371.96
Other equity		12,382.33	50.68	12,331.65
Total equity		13,754.29	50.68	13,703.61
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		5,753.88	-	5,753.88
		-	-	-
Total non-current liabilities		5,753.88	-	5,753.88
Current liabilities				
Financial liabilities				
Borrowings		6,999.30	-	6,999.30
Trade payables		4,486.18	-	4,486.18
Other financial liabilities		2,128.36	-	2,128.36
Other current liabilities	1	7,034.48	165.13	6,869.35
Total Current Liabilities		20,648.32	165.13	20,483.19
Total Liabilities		26,402.19	165.13	26,237.07
Total Equity and Liabilities		40,156.48	215.81	39,940.68



Reconciliation of Equity as at March 31,2017

(₹ in Lakhs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		6,889.65	-	6,889.65
Capital work-in-progress		73.37	-	73.37
Intangible assets		343.01	-	343.01
Financial assets				-
(i) Other financial assets		36.54	-	36.54
Deferred tax assets (Net)	2	763.22	215.81	547.41
Other non-current assets		1,050.68	-	1,050.68
Total non-current assets		9,156.48	215.81	8,940.67
Current assets				
Inventories		31,200.42		31,200.42
Financial assets				-
Trade receivables		85.02		85.02
Cash and cash equivalents		942.33		942.33
Bank balances other than (ii) above		1,079.33		1,079.33
Other financial assets		19.68		19.68
Other current assets		1,398.90		1,398.90
Total current assets		34,725.68	-	34,725.68
Total Assets		43,882.16	215.81	43,666.35
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,371.96		1,371.96
Other equity		13,777.60	215.81	13,561.79
Total equity		15,149.55	215.81	14,933.75
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings		3,556.24	-	3,556.24
Total non-current liabilities		3,556.24	-	3,556.24
Current liabilities				
Financial liabilities				
Borrowings		5,881.13		5,881.13
Trade payables		8,795.56		8,795.56
Other financial liabilities		2,823.32		2,823.32
Other current liabilities		7,676.35		7,676.35
Total Current Liabilities		25,176.36	-	25,176.36
Total Liabilities		28,732.60	-	28,732.60
Total Equity and Liabilities		43,882.16	215.81	43,666.35


Reconciliation Of Statement of Profit and Loss Account for the Year Ended 31st March 2017
(₹ in Lakhs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Revenue from Operations	3	1,29,364.84	581.08	1,29,945.92
Other Income		113.07	-	113.07
Total Income		1,29,477.91	581.08	1,30,058.98
Expenses:				-
Cost of materials consumed		1,02,448.26	-	1,02,448.26
Purchases of stock-in-trade		18,208.17	-	18,208.17
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(2,138.46)	-	(2,138.46)
Manufacturing Expenses		533.91	-	533.91
Employee benefits expenses	4	2,630.99	3.05	2,627.94
Finance costs		2,083.96	-	2,083.96
Depreciation and amortization expense		943.38	-	943.38
Other expenses		2,840.53	(581.08)	3,421.61
Total expenses		1,27,550.74	(578.02)	1,28,128.77
Profit before tax		1,927.16	3.05	1,930.22
Tax expense				
- Current Tax		415.83	-	415.83
Less:MAT credit entitlement		(415.83)	-	(415.83)
- Deferred Tax	1	531.90	0.84	532.74
Total Tax Expenses		531.90	0.84	532.74
Profit for the Year		1,395.27	2.21	1,397.48
Other comprehensive income				-
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:	5			-
Re-measurements loss of the defined benefit plans		-	(3.05)	(3.05)
Deferred tax charges		-	0.84	0.84
Total other comprehensive income for the year, net of tax		-	(2.21)	(2.21)
Total comprehensive income for the year, net of tax		1,395.27	0.00	1,395.27

**NOTES TO FIRST TIME ADOPTION:****1. Proposed dividend**

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability.

Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of nil as at 31 March 2017 (1 April 2016: ₹ 165.13 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity is increased by an equivalent amount.

2. Deferred tax

Under the previous GAAP, deferred tax accounting is done using income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 Income Taxes requires to accounting for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on temporary differences which were not required under previous GAAP in addition to the various temporary differences consequent to Ind AS transitional adjustments. Consequently, deferred tax assets (net) is reduced by ₹ 216 lakhs as at 1st April 2016 and total equity decreased by ₹ 216 lakhs as at 1st April 2016.

3. Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid is as expenses on the statement of profit and loss. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 ₹ 581.08 lakhs. There is no impact on the total equity and profit.

4. Remeasurment of defined benefit plans

Under Ind AS, re measurements on defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP, these re measurements were forming part of the profit or loss for the year.

As a result of this change, the profit for the year ended 31 March 2017 is increased by ₹ 2.21 lakhs. There is no impact on the total equity as at 31 March 2017.

5. Other comprehensive income

Under the previous GAAP, there was no concept of other comprehensive income. under Ind AS, specified item of income, expense, gains or losses are required to be presented in other comprehensive income.

6. Retained earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

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

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

SUBJECT TO OUR REPORT OF EVEN DATE**For Srinivas & Padmanabhan**

Chartered Accountants

Firm's Regn. No.: 004021S

K.M. Padmanabhan

Partner

M.No.026594

Date - May 25, 2018

Place - Madurai

Balarama Govinda Das**Ba.Ramesh****NB.Kumar****Lalji Vora****V. R. Muthu**

Managing Director

Jt Managing Director

Jt Managing Director

Independent Director

Independent Director

For Thangamayil Jewellery Limited

DIN: 00266424

DIN: 00266368

DIN: 01511576

DIN: 01899070

DIN: 01908841

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

Independent Director

Independent Director

Director

Company Secretary

Chief Financial Officer

DIN: 00935338

DIN: 00039262

DIN: 01388187

DIN: 01334048



NOTICE TO THE SHAREHOLDERS

NOTICE IS HERE BY GIVEN THAT THE 18th ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON WEDNESDAY, **1st AUGUST 2018** AT TAMIL NADU 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 2018 and the Profit and Loss Account made up to that date along with the report of the Directors, Auditors there on.
2. To appoint a Director in place of Smt. Yamuna Vasini Deva Dasi who retires by rotation at the close of the Annual General Meeting and being eligible offers herself for re-appointment.
3. To declare a dividend on equity shares.

SPECIAL BUSINESS

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

RESOLVED THAT in supersession of earlier resolution passed at 17th Annual General Meeting held on 26.07.2017 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 now for revision of remuneration from ₹5 lakhs per month to ₹6 lakhs per month with effect from 01.04.2018 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

- i) SALARY- ₹ 6,00,000 per month
- ii) 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."

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

RESOLVED THAT in supersession of earlier resolution passed at 17th Annual General Meeting held on 26.07.2017 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 now for revision of remuneration from ₹ 5 lakhs per month to ₹ 6 lakhs per month with effect from 01.04.2018 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**

i) SALARY- ₹ 6,00,000 per month

ii) 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."

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

RESOLVED THAT in supersession of earlier resolution passed at 17th Annual General Meeting held on 26.07.2017 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 now for revision of remuneration from ₹5 lakhs per month to ₹ 6 lakhs per month with effect from 01.04.2018 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

i) SALARY- ₹ 6,00,000 per month

ii) 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."



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

RESOLVED THAT pursuant to the provisions of Sec.73 and 76 of the Companies act, 2013 read with Companies (acceptance of deposits) rules, 2014 and all other applicable provisions if any, as recommended by the Board of directors of the Company and subject to other approvals and sanctions under the Companies Act, 2013, consent of the Shareholders of the Company be and is hereby accorded to the Company to invite accept and renew deposits from the Public and Shareholders of the Company up to a sum of ₹5,905 lakhs (from the Public ₹4,218 lakhs and from the Shareholders of the Company ₹1,687 lakhs) which will be within the limits prescribed under rule 3 of the Companies (acceptance of deposits) rules, 2014 on the basis of audited accounts for the year ended 31.03.2018.

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

(CS.V.Vijayaraghavan)
Company Secretary

Place: Madurai

Date: May 25, 2018

**NOTES:**

The Explanatory statement setting out the material facts pursuant to section 102 of the Companies Act, 2013 ("the Act") concerning the special business in the notice is annexed here to and forms part of this notice. The profile of the Directors seeking appointment/ reappointment, as required in terms of Regulation 27 of SEBI (LODR) Regulation 2015 of the listing agreement entered with the Stock Exchange is annexed.

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

1. Members are requested to bring their copies of the Annual Report for the meeting.
2. Members are requested to immediately notify any change of address / Bank mandate, etc.,
 - (i) To the Depository participants (DPs) in respect of their electronic share accounts.
 - (ii) To the Registrar and share transfer agents M/s. SKDC Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1 Sathy Road, Ganapathy, Coimbatore- 641 006 or to the Registered office of the Company at 124, Nethaji Road, Madurai-625 001, in respect of their physical holdings.
3. The register of members and share transfer books of the company will remain closed from 26th July 2018 to 01st August 2018. (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 here by 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 2017-18 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 2017-18 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 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting services provided by Central Depository Services (India) Ltd (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 29th July 2018, 10.00 Am and ends on 31st July 2018, 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 25th July 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.



- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:
- (ix) After entering these details appropriately, click on "SUBMIT" tab

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ✦ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ✦ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ✦ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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 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 Sl.No (I) to Sl.No. (XVIII) above to cast vote.
(B) The Voting period begins 29th July 2018, 10.00 Am and ends on 31st July 2018, 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 25th July 2018 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.
- II. Mr.S.Muthuraju ACS, Practicing Company Secretary (CP.No.4181) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
(A) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman, not later than three days of conclusion of the meeting.

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

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

By Order of the Board of Directors

For Thangamayil Jewellery Limited

(CS.V.Vijayaraghavan)
Company Secretary

Place: Madurai

Date: May 25, 2018

**Annexure to item 2 of the notice****Details of Directors seeking appointment / re-appointment at the Annual General Meeting****(In pursuance of Regulations 17 and 27 of SEBI (LODR) 2015)**

Name of the Director	Smt.Yamuna Vasini Deva Dasi
Date of Birth	10.02.1957
Nationality	Indian
Date of appointment on the Board	04.02.2015
Qualification	SSLC
Experience in functional areas	-
Number of Shares held in the company	20200
List of Directorships held in other Companies	Balusamy Silvears Jewellery Pvt Ltd.,
Chairman/Member in the Committees of the Boards of Companies in which he/she is a Director.	-

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

By Order of the Board of Directors

For Thangamayil Jewellery Limited

(CS.V.Vijayaraghavan)

Company Secretary

Place: Madurai

Date: May 25, 2018

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SEC.102 OF THE COMPANIES ACT, 2013****ITEM NO.4**

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.

During his re-appointment at the 17th Annual General Meeting held on 26.07.2017 there was no revision of remuneration as he continued to draw the same salary of Rs.5 lacs per month as was approved at the Annual General Meeting held on 30.07.2014. Hence the Board felt the necessity to revise his remuneration suitably. In order to be commensurate with his responsibilities as the Managing Director of the Company the Board therefore recommended a revision of Rs.6 lacs to be paid as remuneration per month effective from 01.04.2018 as per the resolution placed before you. The Board of Directors recommend the resolution for your approval.

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 are deemed to be interested in the resolution.

ITEM NO.5

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.

During his re-appointment at the 17th Annual General Meeting held on 26.07.2017 there was no revision of remuneration as he continued to draw the same salary of Rs.5 lacs per month as was approved at the Annual General Meeting held on 30.07.2014. Hence the Board felt the necessity to revise his remuneration suitably. In order to be commensurate with his responsibilities as the Joint Managing Director of the Company the Board therefore recommended a revision of Rs.6 lacs to be paid as remuneration per month effective from 01.04.2018 as per the resolution placed before you. The Board of Directors recommend the resolution for your approval.

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 are deemed to be interested in the resolution.

ITEM NO.6

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.

During his re-appointment at the 17th Annual General Meeting held on 26.07.2017 there was no revision of remuneration as he continued to draw the same salary of Rs.5 lacs per month as was approved at the Annual General Meeting held on 30.07.2014. Hence the Board felt the necessity to revise his remuneration suitably. In order to be commensurate with his responsibilities as the Joint Managing Director of the Company the Board therefore recommended a revision of Rs.6 lacs to be paid as remuneration per month effective from 01.04.2018 as per the resolution placed before you. The Board of Directors recommend the resolution for your approval.

**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 are deemed to be interested in the resolution.

ITEM NO.7

Under section 73 and 76 of the Companies Act, 2013 “read with” acceptance of deposits rules, 2014, it has become mandatory to the Company to obtain prior consent of the Shareholders of the Company with regard to acceptance of deposits under the act, every year from 01.04.14 onwards.

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

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

Memorandum of Interest:

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

By Order of the Board of Directors
For Thangamayil Jewellery Limited

(CS.V.Vijayaraghavan)
Company Secretary

Place: Madurai
Date: May 25, 2018





Route Map to the AGM Venue

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



ATTENDANCE SLIP

THANGAMAYIL JEWELLERY LIMITED

Regd. Office: No.124, Nethaji Road, Madurai-625 001. (CIN-L36911TN2000PLC044514)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting

DP Id*	
Client Id*	

Folio No.	
No.of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company held on Wednesday, 1st August, 2018 at 11.45 a.m at Tamilnadu Chamber of Commerce & Industry, No. 178 B, Kamarajar Salai, Madurai - 625009.

*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

PROXY FORM

THANGAMAYIL JEWELLERY LIMITED

Regd. Office: No.124, Nethaji Road, Madurai-625 001. (CIN-L36911TN2000PLC044514)

Name of the member(s): Registered address:		E-mail Id: Folio / DP ID-Client ID No.	
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I/We being the member(s) ofshares of the above named Company hereby appoint:

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Wednesday, 1st August, 2018 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 - Ordinary Business	For	Against
1. To consider and adopt the Audited Balance Sheet as at 31.03.2018 & the Profit & Loss account along with report of Directors, Auditors & Secretarial auditor thereon.		
2. To appoint a Director in place of Smt. Yamuna Vasini Deva Dasi who retires by rotation and being eligible offers herself for re-appointment.		
3. To declare a Dividend on Equity Shares		
Resolutions - Special Business		
4. To approve revision of Managerial Remuneration to Shri. Balarama Govinda Das as Managing Director		
5. To approve revision of Managerial Remuneration to Shri. Ba. Ramesh as Joint Managing Director		
6. To approve revision of Managerial Remuneration to Shri. N.B. Kumar as Joint Managing Director		
7. To give consent for Acceptance of Deposits u/s.73 & 76 of the Companies Act, 2013		

Signature this.....day of.....2018

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 18th 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



Madurai - Centralised Purchase Division



THANGAMAYIL JEWELLERY LIMITED

Corp. Office - 25/6, Palami Center, IInd & IIIrd Floor, New Natham Road, Narayanapuram,
Madurai - 625014. Phone : 0452 - 438 2815 / 438 2816, Fax : 0452 - 246 5553