

Hare Krishna



THANGAMAYIL JEWELLERY LIMITED

**20<sup>th</sup>**  
**ANNUAL REPORT**  
**2019-20**



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### **Annual General Meeting**

**Date : 21st September 2020**

**Time: 11.30 am**

**Through Video Conference @ Corporate Office**

**No.25/6 Palami Centre, New Natham Road, Madurai - 14.**

## BOARD OF DIRECTORS



**N.B.Kumar**

Joint Managing Director

**Balarama Govinda Das**

Chairman and Managing Director

**Ba.Ramesh**

Joint Managing Director

## INDEPENDENT DIRECTORS



**S.Rethinavelu**



**Lalji Vora**



**V.R.Muthu**



**V.Ramasamy**



**S.M.Chandrasekaran**



**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

M/s.Srinivas & Padmanabhan  
Chartered Accountants  
Chennai - 600 017.

### SECRETARIAL AUDITOR

S. Muthuraju, B.Sc., FCA., ACS.,  
Madurai - 625 001.

### BANKERS

Axis Bank Limited  
Karur Vysya Bank Limited  
Tamilnad Mercantile Bank Limited  
Federal Bank Limited

HDFC Bank Limited  
Yes Bank Limited  
IDBI Bank Limited

### REGISTERED OFFICE

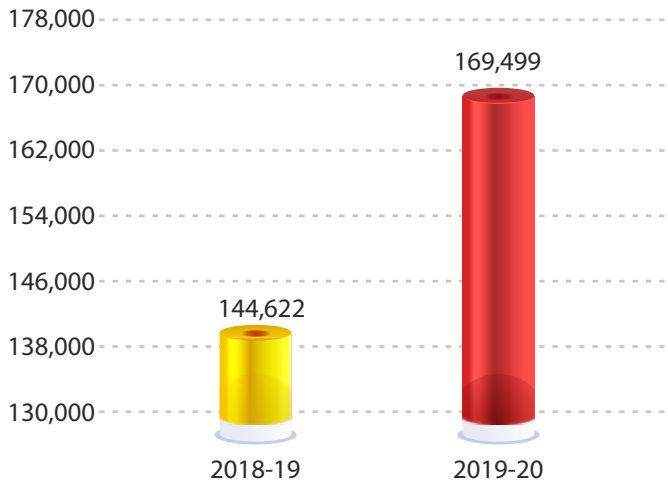
No.124, Nethaji Road  
Madurai - 625 001.

### CORPORATE OFFICE

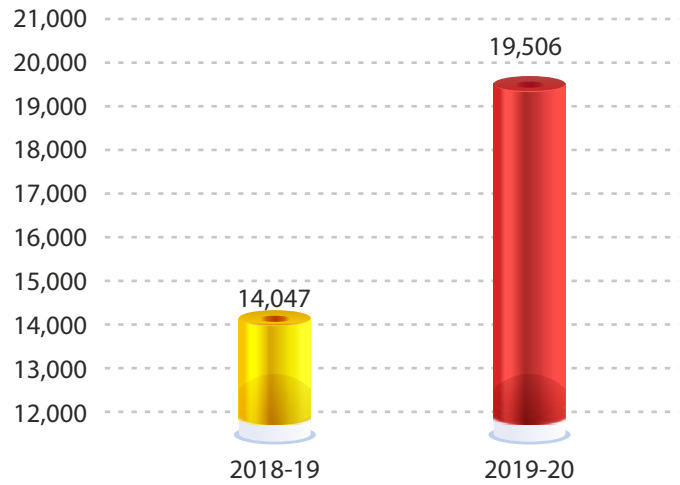
No.25/6, Palami Centre,  
New Natham Main Road,  
Madurai - 625 014.  
CIN - L36911TN2000PLC044514

## Highlights of Financials

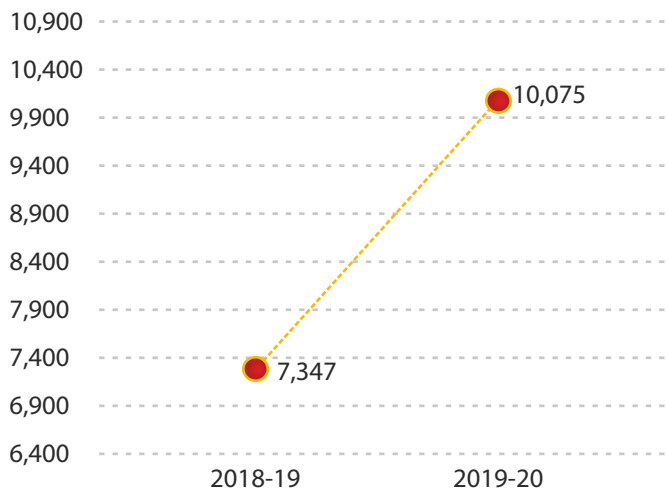
**Turnover-Rs in lakhs**



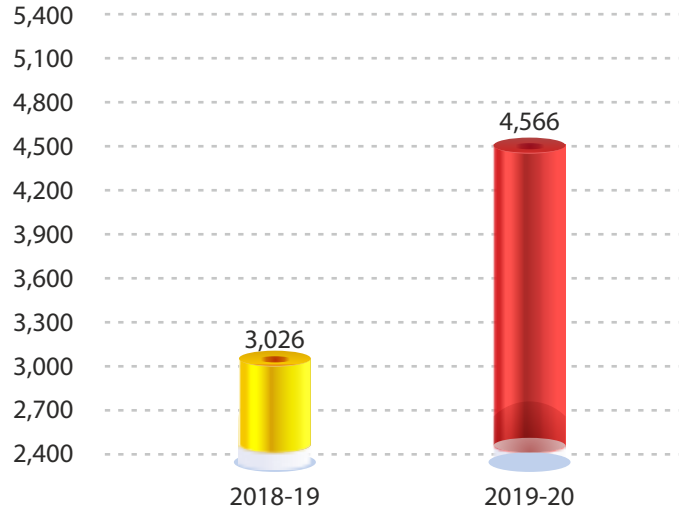
**Gross profit - Rs in lakhs**



**EBITDA - Rs in lakhs**



**PAT - Rs in laks  
(inc. comprehensive income)**



## FOUR YEARS REVIEW OF FINANCIALS

₹. (In lakhs)

S.No	Year Ended 31st March	2019-20	2018-19	2017-18	2016-17
1	Sales	169,196	144,335	137,929	129,946
2	Other Income	303	287	155	113
3	Cost of materials	149,690	130,288	125,111	119,052
4	Salaries, Wages and Bonus	4,224	3,538	3,197	2,628
5	Other Expenses	5,509	3,450	3,686	3,422
6	Interest and financial expenses	2,115	2,034	1,879	2,084
7	Depreciation	1,019	759	817	943
8	Tax expenses	2,376	1,528	1,106	533
9	<b>Profit after Tax</b>	<b>4,566</b>	<b>3,026</b>	<b>2,287</b>	<b>1,397</b>
10	Other comprehensive income ( Net)	(37)	(1)	(13)	(2)
11	<b>Total comprehensive income for the year</b>	<b>4,529</b>	<b>3,025</b>	<b>2,274</b>	<b>1,395</b>
12	Non Current Assets - Net Block	8,313	7,213	7,507	7,306
13	Deferred Tax Assets	39	-	-	547
14	Long Term Loans and Advances	971	1,110	1,018	1,087
15	Current Assets	62,206	56,926	52,535	34,726
16	<b>TOTAL ASSETS</b>	<b>71,530</b>	<b>65,249</b>	<b>61,060</b>	<b>43,666</b>
17	Share Capital	1,372	1,372	1,372	1,372
18	Other Equity	20,643	17,947	15,501	13,562
19	Long Term Borrowings	6,368	3,831	3,062	3,556
20	Deferred Tax Liability	-	107	159	-
21	Current Liabilities	43,147	41,992	40,966	25,176
22	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>71,530</b>	<b>65,249</b>	<b>61,060</b>	<b>43,666</b>



**KEY FINANCIAL HIGHLIGHTS - PERFORMANCE AT A GLANCE**

₹. (In lakhs)

Year ended	2019-20	2018-19	2017-18	2016-17
Sales and Income (₹ in lakhs)	169,499	144,622	138,085	130,059
EBIDTA Profits (₹ in lakhs)	10,075	7,347	6,090	4,958
Profit before tax (₹ in lakhs)	6,942	4,554	3,394	1,930
Profit after tax (₹ in lakhs)	4,529	3,025	2,274	1,395
Net worth Adjusted (₹ in lakhs)	22,015	19,319	16,873	14,934
Equity Capital (₹ in lakhs)	1,372	1,372	1,372	1,372
Book value per share (₹)	160	141	123	109
Dividend Paid (Incl. DDT) (₹ in lakhs)	1,654	579	335	165
Total outside Liabilities Adjusted (₹ in lakhs)	46,376	40,618	40,840	26,711
No. of Branches in Lease Property	42	30	27	26
No. of Branches in Own Property	5	5	5	5

**SOURCE AND UTILISATION OF FUNDS**

₹. (In lakhs)

S.No	Year ended 31st March	2019-20	2018-19	2017-18	2016-17
<b>Source of Funds</b>					
<b>Funds Generated from operation</b>					
1	(a) Profit after Taxes ( net profit before tax minus tax outflow)	5,204	3,622	2,742	1,320
	(b) Depreciation	1,019	759	817	943
	(c) Other Income and Adjustments	10	8	46	14
	<b>Total</b>	<b>6,233</b>	<b>4,389</b>	<b>3,604</b>	<b>2,277</b>
2	Net Increase in Borrowings	7,910	-	9,592	-
3	Net Decrease in Working Capital #	-	293	-	1,583
	<b>Total</b>	<b>14,143</b>	<b>4,682</b>	<b>13,196</b>	<b>3,860</b>
<b>Utilisation of Funds</b>					
4	Capital Expenditure	859	473	1,063	380
5	Dividends pay out including DDT	1,654	579	335	165
6	Net Increase in Working Capital #	11,630	-	11,798	-
7	Net Decrease in Borrowings	-	3,630	-	3,315
	<b>Total</b>	<b>14,143</b>	<b>4,682</b>	<b>13,196</b>	<b>3,860</b>

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

S.No	Financial Ratios	2019-20	2018-19	2017-18	2016-17
1	Operating Profit Margin	11.53	9.73	9.29	8.38
2	EBITDA / Turnover (in %)	5.94	5.08	4.41	3.81
3	PBT/ Turnover ( in %)	4.10	3.15	2.46	1.48
4	Return on Avg Capital Employed	13.24	10.43	10.07	9.60
5	Return on Equity	20.57	15.66	13.48	9.34
6	Net Debt to Equity	2.11	2.10	2.42	1.79
7	Current Ratio	1.44	1.36	1.28	1.38
8	Net Worth Per Share	160.46	140.81	122.98	108.85
9	Earning Per Share	33.01	22.05	16.58	10.17
10	P/E Ratio (based 31st March quote)	7.18	15.10	29.44	22.77

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

# MESSAGE FROM CHAIRMAN

## Dear Shareholders

It gives me a great pleasure to place before you the financial statement for the year ended 31st March 2020. Your company could do an all-time high turnover of ₹1,69,196 lakhs as against ₹1,44,335 lakhs and an all-time record EBITDA profit of ₹10,075 lakhs as against ₹7,347 lakhs inspite of loss of revenue for 9 days from 23rd March to 31st March 2020 due to lockdown caused by COVID19. As per trend emerged in the last quarter on an estimated basis, we lost a top line growth of ₹6,000 lakhs and an EBITDA profit reduction of ₹692 lakhs at 11.53% Gross profit obtained in the year 19-20.

Inspite of steep increase in Gold & Silver prices in the year, we could maintain the volume more or less at the same level of previous year. The incremental profit was achieved due to better Product Mix and market strategies followed differently in the year gone by.

## Going forward the current year 20-21 looks uncertain for the following reasons.

- a. High level of Gold Prices persisting in the year that may lead to lesser allocation for consumer discretionary items like Jewellery spend
- b. The positive impact expected out of polarization aspects of business is still not fructifying as the difference in pricing continues to exist due to sharp rise in Gold prices
- c. The adverse impact of COVID 19 could not be assessed fully on the trend available as of now
- d. The loss of business in the first 90 days (60 days of complete lockdown and 30 days of partial lockdown) that is supposed to be the best quarter in any year is a major adverse factor for the industry and to the company



- e. Compulsory disposition of funds to meet fixed cost particularly in the absence of any revenue is a factor to reckon with in determination of future performance growth in business
- f. Mandatory compulsion to convert upto 40% of bank loans into Cash Credit facilities at an enhanced Interest also would be a cause of concern in the performance of your Company in 2020-2021.

In these adverse realities there are some silver lining reasons that would facilitate the Company not to slip from its growth path established over a period of time.

- a. Excellent agricultural production in the areas we operate augurs well for the performance as most of our customers are dependent on Agri income
- b. Exceptional restriction on social gatherings for marriages etc will facilitate the customers to spend more money on purchase of Jewellery in the absence of extravagant spending on marriage events and costly food servings etc
- c. As the personal movement is restricted and would become a habit later will force the big-ticket clients to make their purchases in the places they normally reside
- d. The expectations among customers that the Gold will appreciate in the months to come will make them to invest on Jewellery as opposed to any other class of assets particularly in this uncertain COVID 19 time.

We on our part, the management will continue to pursue with our marketing & other operational initiatives to bring in growth in the nine months period available to us in 20-21.

Our core objectives of improving the Gross Profit margin with the help of inventory management & product mix will continue. The other aspect of business development tentatively requires some more time to operationalise based on the fallout of COVID19 even though we are ready with the blueprint for further expansion. All other earlier initiatives taken before the COVID19 issue are all pursued vigorously, and the enduring benefits will accrue to the Company. The concentrated effort to improve the performance with the ultimate objective of Bottom line improvement would continue as in the past with a view to optimize the Return on Equity in the years to come.

It is pertinent to note that the financial stability in the context of total loss of revenue for 60 days and partial restoration in the next 30 days at a stretch is noteworthy to report to the shareholders, we have not availed any incremental loan facilities from the bankers but met all our statutory and operational obligations out of our in built financial strength.

As things stand today inspite of certain prolonged uncertainty caused by the COVID19, we are hopeful of sustaining our performance for the reasons stated above subject to restoration of normal business environment.

You are aware that the Company paid an Interim Dividend in the month of March 2020 at ₹ 5/- per share (50%) for the face value of ₹10/- each and in the context of COVID19 uncertainties, your Board out of prudence & preservation of liquid funds do not recommend any final dividend. I hope and trust that this decision of your Board will go a long way in improving the long term Working Capital requirements of the Company.

Before I conclude, I would like to place on record my heartfull gratitude to all our employees, thanks to our bankers under Multiple Banking system and to all our beloved shareholders who have extended their continued trust and support through informed feedback and advice

Looking forward for yet another promising year 2020-2021 inspite of intervention from COVID19 in the first two months of operations

With warm regards,

For Thangamayil Jewellery Limited,

**BALARAMA GOVINDA DAS**

Chairman Cum Managing Director

Place: Madurai

Date: June 29, 2020

**TO THE MEMBERS OF THANGAMAYIL JEWELLERY LIMITED**

The Directors are pleased to present the 20th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2020:

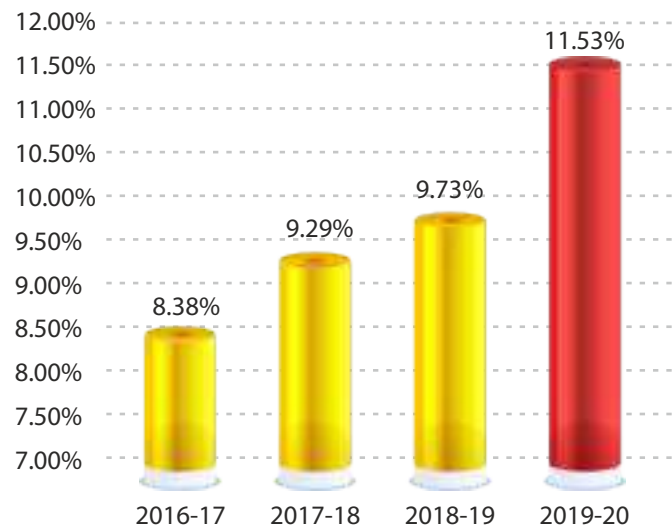
FINANCIAL RESULTS	Particulars	₹ in Lakhs	
		2019-20	2018-19
	Sales	1,69,196	1,44,335
	Gross Profit	19,506	14,047
	Earnings before Interest, Depreciation and Taxation (EBITDA)	10,075	7,347
	Finance Cost	2,115	2,034
	Depreciation	1,019	759
	Profit Before Tax (PBT)	6,942	4,554
	Tax	2,376	1,528
	<b>Profit After Tax (PAT)</b>	<b>4,566</b>	<b>3,026</b>
	Other comprehensive income	(37)	(1)
	<b>Total comprehensive income for the year, net of tax</b>	<b>4,529</b>	<b>3,025</b>

In March 2020, the World Health Organisation (WHO) declared COVID 19 to be a pandemic and the company's operations were fully impacted from 23rd March 2020 till end of May 2020, as all its stores, manufacturing units and offices were closed. The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the financial results of the company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company as at the date of approval of these financial results has used internal and external sources of information. The company has performed an analysis on the assumptions used and based on current estimates expects the carrying value of its assets will be recovered. The Company has made detailed assessments of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables and other current assets as at the balance sheet date and on the basis of evaluation based on the current estimates has concluded that no material adjustments as required in the financial results.

As on date, all the manufacturing units, stores/ show room and offices are opened.

On an all-time record turnover of ₹1,69,196 lakhs for the year, the company made an operating profit of ₹19,506 lakhs as against ₹14,047 lakhs made in last year. It represents 39% increase over the last year. It is first time in the history of company made EBITDA profit of more than hundred crores at ₹10075 lakhs.

In spite of maintaining the volume, the better results in top line are due to increase in gold and silver price realisation and also due to improved diamond sales during the year that significantly increased the operating profits. The contribution from Diamond and silver jewellery, though on a low base is noteworthy. The proportionate increase in EBITDA margin Vs Turnover is brought out for last four years as under:

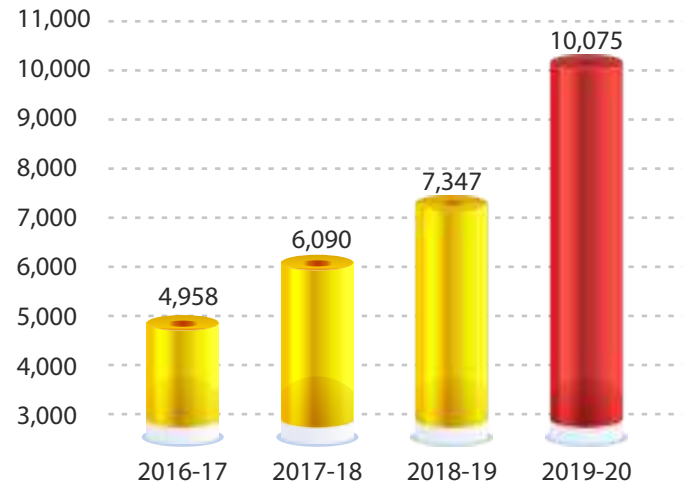
**Gross profit Margin**


Year	Turn over ( in lakhs)	EBITDA ( in lakhs)	EBITDA %
2016-17	130,059	4,958	3.81%
2017-18	138,086	6,090	4.41%
2018-19	144,622	7,347	5.08%
2019-20	169,499	10,075	5.94%

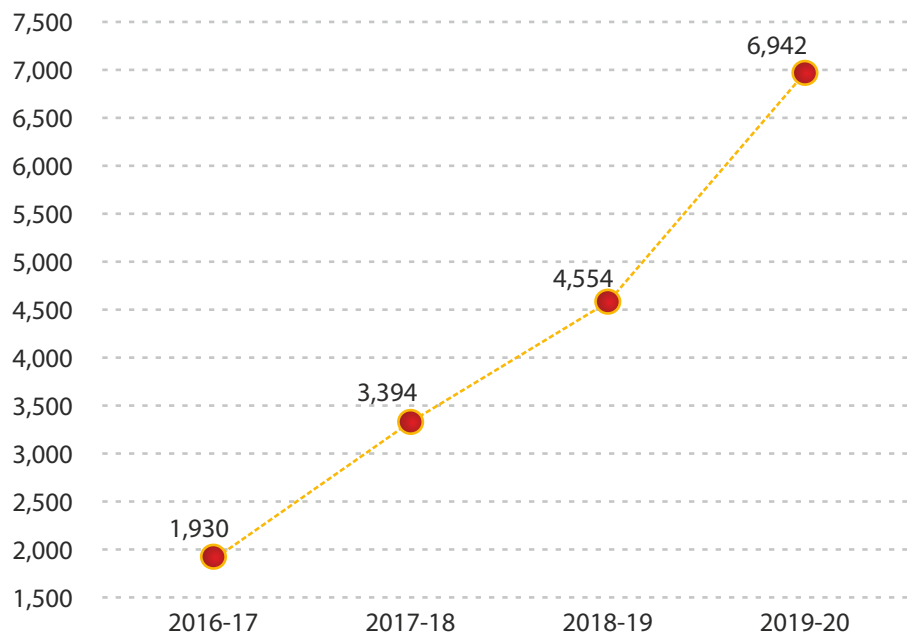
You may observe that our top line growth increased by 17% compared to previous years thanks to gold price increase. The proactive managerial initiatives taken collectively over a four years period have resulted in a CAGR (Compounded Annual Growth Rate) 7% only. However, in the areas of value addition the company made a gross profit of 16% CAGR in the last 4 years.

The increased volume of Diamond sales & silver jewellery MRP items along with the existing silver articles incrementally contributed to better return on the working capital investment. The year has seen increase in the volume of gold despite the price hike and customs duty hike. In recognition of this fact, your management has taken certain operational initiatives to improve the ROI on gold inventory in the days to come. The year has also seen a good improvement in the inventory turnover.

### EBIDTA in lakhs



### PBT in lakhs



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

- Improved contribution from products other than Gold Ornaments like Diamond, Silver ornaments
- Continuously better gold price realization in the second half of 19-20
- Supportive marketing strategies helped to enlarge the customer base and turnover
- Cost effective procurement of products and manufacturing scales enhancement benefits
- Results would have been better but for the complete lockdown in 9 days in the March 2020 month
- But for the closure of branches that could have contributed nearly Rs.60 Crores to top line and a minimum of Rs.6.92 Crores to bottom-line. The performance in all aspects is significantly better and attained an all time record both in Top Line and EBITDA profits level. The performance in this background is not only note worthy but also encouraging. But for the loss of business in the first 90 days ( 60 days of complete lockdown and 30 days of partial lockdown) of the current year, we hope that the growth is sustainable and scalable in the remaining part of the year and more so in the years to come. The momentum gained in the new gold ornament items of value relevance is expected to increasingly grow as years go by. It is heartening to note that the bottom line growth is more structural in nature and results out of initiatives taken on marketing, adoption of technology, product mix composition and effective working capital management etc.

**Progress in retail outlets expansion**

During the year, we commenced operations in twelve retail outlets in addition to the existing 35 branches. The civil work in our own property in Trichy showroom is ready for operation. But due to Covid- 19 situation the opening of show room got deferred.

**LIKELY IMPACT OF COVID 19 ON THE FY 20-21 PERFORMANCE OF THE COMPANY**

- Complete loss of revenue for the first 90 days. This is over and above 9 days lockdown in March 2020.
- Being a retail outlets dominated Company, the fixed cost associated with rentals, staff compensation, general admin expenses and cost of funds on Idle Inventory are to be met by future operations.
- Despite major absence of cash flow from operations the Company was able to meet the margin call & MTM funding for hedging operations and metal loan facility. This has resulted in incremental cost of funding upto Rs.101 Lakhs in the first 90 days ( 60 days of complete lockdown and 30 days of partial lockdown) of the current financial year 20-21
- High gold rate prevailed in the 90 days could not be en-cashed due to complete lockdown administered by Government Authorities
- Being a consumer discretionary product the immediate demand from customers also is uncertain in the changed business environment
- It may take some time probably a quarter or so to get back to normal business subject to opening of the economy fully.
- Even the replacement avenues take more time as the handmade manufacturing activity throughout the country came to a halt that would elongate the working capital cycle.
- The adverse impact of lack of liquidity among customers that would force them to sell the old gold ornaments to tide over financial difficulties could not be quantified currently.
- The organized sector will be affected due to gold price differentials between demand driven local price vs International price fixed by banks / importers.
- The benefits that could have accrued on the seasonality of the First Quarter sales were lost due to closure of shops for 90 days ( 60 days of complete lockdown and 30 days of partial lockdown) in the first quarter 20-21
- However once normalcy is attained in the trade we may perhaps be left with certain positive factors that may emerge prospectively.

## DIVIDEND

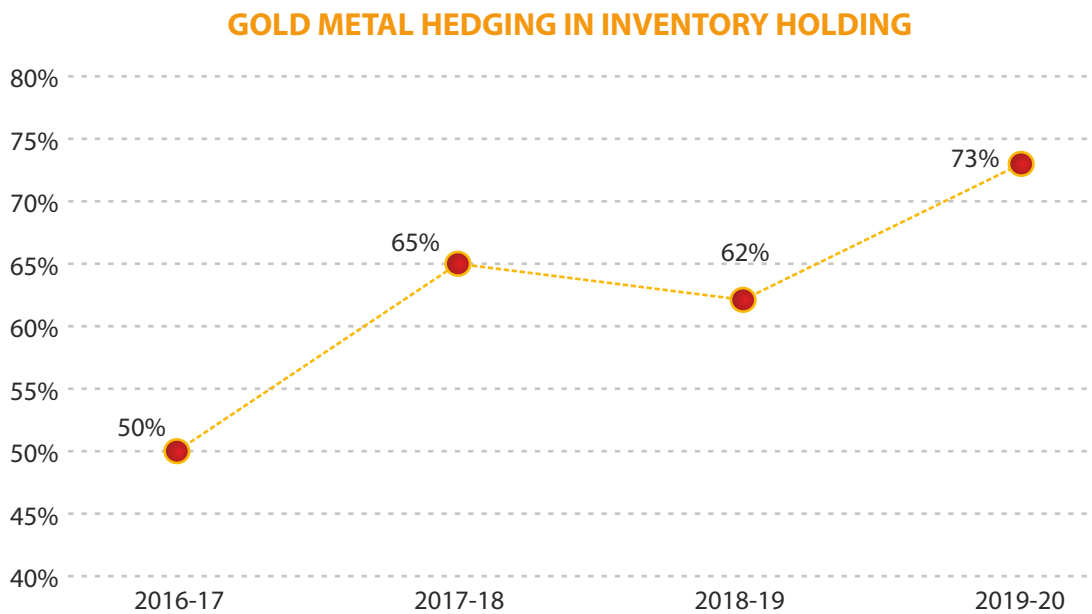
The Board of Directors of the Company in their meeting held on 14th March, 2020, declared an interim dividend of ₹5 (i.e. 50%) per equity share (face value of Rs 10 each) on the paid up equity share capital of the Company for the financial year ended 31 March 2020 amounting to ₹827 lakhs (including dividend distribution tax of ₹141 lakhs). The Board has not recommended any final dividend and the interim dividend as aforesaid be considered as final dividend for the financial year ended 31 March 2020.

The Board of Directors at its meeting held on May 22, 2019 had declared a dividend of ₹5.00 per Equity shares (face value of ₹10 each) and the same was paid during the year. The proposal was approved by shareholders at the Annual General Meeting held on August 1, 2019. This has resulted in a total outflow of ₹827 lakhs including corporate dividend tax of ₹141 lakhs.

## HEDGING

The company has got a well-defined operative "Hedging" mechanism in place. The company availed more loan under "metal loan" category of finance from banks at concessional rate of interest besides ensuring a natural hedge on such procurement. It is 73% (previous year 62%) as against the internal set target of 75:25. Though we couldn't make any inventory profit in a rising gold price situation it is also equally true that an exceptional non operative inventory loss need not be incurred in a falling price situation. Based on our experience and the current gold price movement trend we are of the opinion that the ratio at the most can go upto 75:25 in the overall operational interest of the company.

### Gold metal hedged in Inventory Holding chart



## CONTINUING CHALLENGES

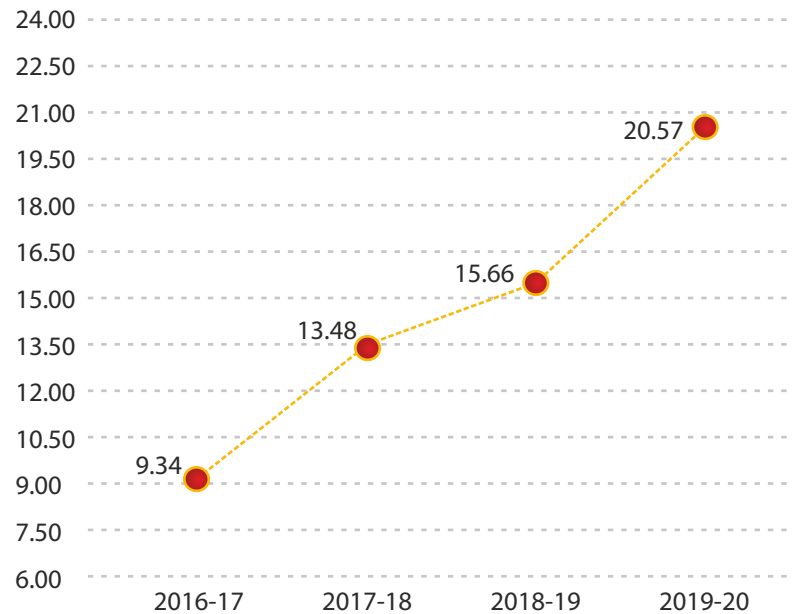
- Extra ordinary regulatory conditions prevailing in the trade environment.
- The structural issues like competition from other consumer Discretionary items
- A wide price difference in the Gold Price noticed between small retailers as against organized players
- The cyclical impact of gold price appreciation on a stable basis restricts the purchasing power of the customers
- In spite of implementation of GST the price advantage the unorganized retailers get often culminates in stagnation of volume growth in the organized sector
- Due to reduction in margin of safety the industry not in position to absorb the inflation related cost parameters including wages, transportation & compliances
- Above all, the recent COVID 19 pandemic has created a major challenge in conduct of business with a lot of restrictions on the movement of men & material etc that could have an adverse impact on the performance



## FUTURE PROSPECTS

- The uncertainty related to the impact of COVID 19 is looming large
- The loss of revenue for the 90 days of the current year over and above a loss 9 days operations in March, 2020 will have an adverse impact on the overall performance of the Company.
- It all depends on how swiftly we could get back to normalcy and operate all our existing & new retail showrooms that will determine the performance in the next 9 months.
- Slowing economy likely negative GDP growth environment, reluctant banker to lend incrementally both to the supplier and demand creators of the society would determine the future status of the Industry.
- The effective management strategies and policies post COVID 19 situation and its implementation success will determine the performance of the Company in 20-21.
- However barring any other unforeseen adverse impact on operations, we are hopeful of regaining attained prior to COVID 19 pandemic within the shortest time possible subject to lifting of lockdown fully.
- At the current juncture, due to too many uncertainties we are not able to indicate the growth momentum but however reasonably confident of getting back to revival mood.

## RETURN ON EQUITY IN%



## DEFERRED TAX ASSETS

The company as per Ind AS requirement has created deferred tax assets ₹8.51 lakhs as against deferred tax liabilities of ₹106.61 lakhs of previous year. The company elected to exercise the option permitted under section 115 BAA of the Income Tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognised provision for Income tax for the year ended and re-measured its deferred tax basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of profit & loss accounts. As a consequence, to that the available MAT credit entitlement of Rs.498 lakhs as per books is written off in the current year. To that effect, tax provision is increased by Rs.498 lakhs for the year ended 31st March 2020.

## CONTRIBUTION TO EXCHEQUER

The Company is a regular payer of taxes and other duties to the Government. The Company has paid GST of ₹5,106 lakhs as compared to ₹4,286 lakhs paid in the previous year and The Income tax and tax on Dividend Distribution amounts to ₹2,019 lakhs was paid as against ₹1,025 lakhs for financial year 2018-19.

## CAPITAL EXPENDITURE

During the year, we capitalized ₹784 Lakhs to our gross block comprising of ₹679 lakhs for Plant & Machinery and Furniture & Fittings and other assets and balance of ₹105 lakhs for Computer Equipments including Software.

The capital work in progress amount outstanding as on 31st March 2020 is ₹202 lakhs (previous year ₹119 lakhs). This comprises of interiors and other assets still to be put in use and are yet to be capitalised.

For the previous year, we capitalized ₹466 lakhs to our gross block comprising ₹369 lakhs for Plant & Machinery and Furniture & Fittings and others and the balance of ₹97 lakhs for Computer Equipments including Software.

## FINANCE

For the required working capital for the current year based on the estimates, the company is fully supported by various sources of finance.

The secured working capital outstanding borrowing of the company as at 31st March 2020 stood at ₹ 20,655 lakhs as against ₹181.56 lakhs of the previous year. The aggregate working capital facilities from member bankers are at ₹ 24,100 lakhs. The company is not having any term liability with bankers.

The eligible fixed deposits limit from public & shareholders is ₹6,762 lakhs. However, the company took only ₹5,216 lakhs as at 31st March 2020. Besides, the promoter's unsecured loan of ₹1,240 lakhs at 6% interest continued to be in the company to support its long-term fund requirements. In all, the liquidity position is quite good and comfortable. Interest outgo have decreased – marginally compared to previous year. The per gram interest payment on sales works out to ₹49 as against ₹50 of previous year. This marginal decrease is on account of decrease on interest rate on promoter's loan outstanding.

## 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 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).

## 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 have 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 have 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 have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## MANUFACTURING FACILITIES

Utilisation of own manufacturing facilities including on job work basis is around 95% as against 92% 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 enlarged.

## DEPOSITORY SYSTEM

The trading in the Equity Shares of your Company is under compulsory dematerialization mode. As on March 31, 2020, 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.

## CORPORATE GOVERNANCE

Your Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance and a certificate from the statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 27 of SEBI (LODR) 2015 of the Listing Agreement(s) with the Stock Exchange(s) forms part of this report.

The Chairman and Managing Director and Joint Managing Directors of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17 (8) of SEBI (LODR) 2015 of the listing agreement pertaining to CEO certification for the financial year ended 31st March 2020.

### Large corporate entity:

SEBI vide their notification SEBI /HO/DDHS/CIR/2018/144 dated: 26.11.2018 have made mandatory to all listed entities the initial disclosure with regard to outstanding of long term borrowings of ₹100 crores and above in the specified format given by them with effect from 01.04.2019. The respective stock exchanges intimated us to give a declaration in case we are not coming under large corporate as per the circular. Accordingly we have confirmed through our declaration that we are not coming under large corporate entity as there is no such long term borrowings of ₹100 crores as on the date during the financial year ended 31.03.2020.

### Independent Women Director:

- 1) In terms of R.17 of amended SEBI (LODR) Regulations, 2018 and further amendment the Board of Directors of the company of top 1000 listed entities shall have atleast one independent women director by 1st April 2020. We are in the process of appointing such a candidate and due to Covid-19 pandemic and continuous lockdown declared by Tamilnadu Government till July 2020, the appointment is getting delayed. However, the process is continuing and we would meet the requirement at the earliest. We have already intimated this to the concerned Stock Exchanges.
- 2) U/R 17, with regard to Non-Executive chair person of the Board since we do not come under the top 500 listed entities the same is not applicable to us right now.
- 3) U/R 25(10), with regard to Directors and officers Insurance for all Independent Directors with effect from 1st October 2018 as we do not fall under the category of top 500 listed entities the same is not applicable to us at present.
- 4) U/R 34(3), Vide SBEI (LODR) amendment regulation 2018 the company has obtained a certificate from a practicing company secretary with regard to Non-Disqualification certificate and the same has been attached along with Corporate Governance report of the Annual Report as required.

## DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis including the Business Responsibility Report are attached, which forms part of this report.

## 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 2020-21 have been paid to these Stock Exchanges. The Shares of the companies are compulsorily tradable in dematerialized form.

## INSURANCE

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

## 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 pleasant relations without any interruption in work. As on 31st March 2020, the Company has 1,342 employees on its rolls as against 1361 employees in the previous year.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms 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.

## STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

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

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

### **The objectives and scope of the Risk Management Committee broadly reviews:**

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

**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.

FOREIGN EXCHANGE EARNING		
₹ in Lakhs		
Particulars	2019-20	2018-19
Export Sales	8.26	-

FOREIGN EXCHANGE OUTGO		
₹ in Lakhs		
Particulars	2019-20	2018-19
Travelling Expenses	-	8.09
Consultancy Charges	181.36	101.11

**c) Foreign Exchange Earning and Outgo**
**Potential Risks, Concerns And Mitigation Plan**
**Risk of loss of Positioning in the market place**

Due to stiff 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. Providing product knowledge, the customers to buy a quality product in the market.

**Monsoon**

Monsoon failure for successive years in southern parts of Tamil Nadu 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 as well as operating TMJL plus model to carry silver products and articles to encourage customer walkin.

**Change in lifestyle**

The disposable income of both middle class and upper middle class and change in lifestyles 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**

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 and purchases 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 73:27 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, improving incentive scheme to the employees 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.

**Disruption and Uncertainty in Business due to COVID-19 pandemic**

The COVID 19 pandemic has created a major challenge in conduct of business with a lot of restrictions on the movement of men & material etc that could have an adverse impact on the performance. This is likely to affect the company's earnings in the short term and medium term.

**Mitigation:** Guidance and mandate of appropriate social distancing measures and work places. Regular communication with big ticket customers about measures taken to maintain sales services. Drawing up of plans and identification of opportunities for proposing new solution post Covid -19 disruption.

**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.

## 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.

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

Based on the financial year ended 31st March 2020 Company required to spend CSR expenses for ₹65.85 lakhs and with an amount of ₹45.98 lakhs unspent in the previous year 18-19, company has spent ₹67.24 lakhs towards CSR activities for financial year 19-20. The details of expenses CSR activities as mentioned at annexure 2 of the report which may kindly be referred to for more details.

The company has spent a sum of Rs.67.24 lakhs towards the following activities in the financial year ended 31.03.2020

S.No	Details	Rs. In lakhs
1	Gosala funding	54.55
2	Towards medical / Eye camp to poor	5.00
3	Food and Water to the public	5.28
4	Plants sapling for public benefits	0.82
5	Storm relief ( Gaja Puyal)	1.59
	<b>Total</b>	<b>67.24</b>

As against Rs.111.83 lakhs to be spent, the company has spent a sum of Rs.67.24 lakhs as per above details thereby there is a balance amount of Rs.44.59 lakhs to be spent.

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

#### **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 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”.

#### **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.

#### **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 available in Company website.

#### **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.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

S.No	Particulars	₹ in Lakhs
1	Amount remained unpaid or unclaimed as at the end of the year	90.95
2	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

## DEPOSITS

The details of deposits remain unpaid during the year under review are furnished hereunder:

## 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.

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

## 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](http://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.

## STATUTORY AUDITORS

The Company’s Auditors, Messrs Srinivas & Padmanabhan Chartered Accountants, (Firm Reg.No.0040215) 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 Auditor’s Report to the shareholders for the year under review does not contain any qualification.

## 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”.

## COMMENTS ON AUDITORS’ REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by Srinivasan 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.

## **INTERNAL AUDIT AND CONTROL SYSTEMS**

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

## **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.

## **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.

## **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.

## **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 oversees 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.

## **ANNUAL EVALUATION BY THE BOARD**

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

1. Attendance of Board Meeting and 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.

#### **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](http://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.

#### **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 the demand & 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.

#### **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, suppliers, 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

Place: Madurai

Date: June 29, 2020

**Ba. RAMESH, N.B. KUMAR**

Joint Managin Directors

**ANNEXURE 1**
**TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2020**

INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- ❖ 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	44:1
2	Ba. Ramesh	44:1
3	N.B.Kumar	44:1

- ❖ 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	Nil
5	B. Rajeshkanna - Chief Financial Officer	Nil

- ❖ The percentage increase in the median of remuneration of employees in the financial year. -5%
- ❖ The number of permanent employees on the rolls of Company - 1342
- ❖ The explanation on the relationship between average increase in remuneration and Company Performance -  
During the year company achieved profit of ₹ 4,529 lakhs as against net profit after tax of ₹ 3,025 lakhs in the previous year. A registered growth of bottom line by 50% as against in which the directors of the Company taking salary as in last year.
- ❖ Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

Name of the Director	Designation	Remuneration of Key Managerial Personnel ₹ in lakhs	Performance of the Company for the year ended 31st March, 2020
Balarama Govinda Das	Managing Director	72.00	During the year company achieved profit of ₹ 4,529 lakhs after tax as against net profit after tax of ₹ 3,025 lakhs in the previous year.
Ba. Ramesh	Joint Managing Director	72.00	
N.B.Kumar	Joint Managing Director	72.00	
CS.V. Vijayaraghavan	Company Secretary	15.50	
B. Rajeshkanna	Chief Financial Officer	28.80	

- ❖ 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, 2020	As at 31st March, 2019	% performance
1	Market Price in ₹	237.05	333.35	
2	Market Capitalization in ₹ lakhs	32,516	45,711	29% decrease
3	EPS	33.01	22.05	Increased by 50%
4	Price Earnings Ratio	7.18	15.12	

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 Ten years.

- ❖ 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: 5%
  - Average increase in the remuneration of KMPs: Nil
  - Justification: KMP salary increases are decided based on the Company's performance, Individual performance, inflation, prevailing industry trends and benchmarks.
- ❖ Comparison of the remuneration of each 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.
- ❖ The Key parameters for any variable components of remuneration availed by the directors - Nil
- ❖ 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
- ❖ 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, 2020

- ❖ 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, 2020.
  - Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹ 60.00 lakhs per annum.

Name of the employee	Date of Joining	Designation	Qualification	Age	Experience Years	Remuneration ₹ in lakhs	Last Employment
Balarama Govinda Das	03.05.2001	Managing Director	B.Com	64	38	72.00	Promoter Director
Ba.Ramesh	03.05.2001	Jt. Managing Director	SSLC	60	26	72.00	Promoter Director
N.B.Kumar	03.05.2001	Jt. Managing Director	SSLC	54	20	72.00	Promoter Director

- 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:

- \* Remuneration shown above includes Salary, House Rent Allowance, Companies contribution to provident fund, LTA and other perquisites.
- \* Nature of Employment is contractual.
- \* 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**

S.No	Particulars																						
1	A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Refer Sections: Corporate Social Responsibility																					
2	The Composition of the CSR Committee	Chairman - Balarama Govinda Das Members: Lalji Vora Ba. Ramesh N. B. Kumar CS. V. Vijayaraghavan - Company Secretary																					
3	Net profit of the company for the last three financial years.	₹ 3293.00 Lakhs																					
4	Prescribed CSR expenditure (two percent of the amount)	₹ 65.85 Lakhs																					
5	<p><b>Details of CSR spent during the financial year.</b></p> Total Amount to be spent for the financial year Cumulative unspent including previous years Total to be spent Amount spent Amount unspent, if any	₹ 65.85 Lakhs ₹ 45.98 Lakhs ₹ 111.83 Lakhs ₹ 67.24 Lakhs ₹ 44.59 Lakhs																					
	<p><b>Manner in which the amount spent during the financial year is detailed below.</b></p> <table border="1"> <thead> <tr> <th>S.No</th> <th>Details</th> <th>Rs. In lakhs</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Gosala funding</td> <td>54.55</td> </tr> <tr> <td>2</td> <td>Towards medical / Eye camp to poor</td> <td>5.00</td> </tr> <tr> <td>3</td> <td>Food and Water to the public</td> <td>5.28</td> </tr> <tr> <td>4</td> <td>Plants sapling for public benefits</td> <td>0.82</td> </tr> <tr> <td>5</td> <td>Storm relief ( Gaja Puyal)</td> <td>1.59</td> </tr> <tr> <td></td> <td><b>Total</b></td> <td><b>67.24</b></td> </tr> </tbody> </table>	S.No	Details	Rs. In lakhs	1	Gosala funding	54.55	2	Towards medical / Eye camp to poor	5.00	3	Food and Water to the public	5.28	4	Plants sapling for public benefits	0.82	5	Storm relief ( Gaja Puyal)	1.59		<b>Total</b>	<b>67.24</b>	
S.No	Details	Rs. In lakhs																					
1	Gosala funding	54.55																					
2	Towards medical / Eye camp to poor	5.00																					
3	Food and Water to the public	5.28																					
4	Plants sapling for public benefits	0.82																					
5	Storm relief ( Gaja Puyal)	1.59																					
	<b>Total</b>	<b>67.24</b>																					
6	In case the company has failed to spend the two per cent of the net profit for the financial year or any part thereof, the company shall provide the reason for not spending the amount its Board report.	Nil																					
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

**LaljiVora**

Independent Director

Place : Madurai

Date : June 29, 2020

**ANNEXURE-3 TO THE DIRECTORS' REPORT**
**FORM NO. AOC - 2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Name of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of contracts/ arrangements / transactions	Salient features of contracts/ arrangements / transactions, including value, if any	Justification for entering into such contracts/ arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable							

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

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**
**FORM NO. MGT 9**

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.

 Please Refer our website [www.thangamayil.com](http://www.thangamayil.com) for details.

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L36911TN2000PLC044514
2	Registration Date	24-03-2000
3	Name of the Company	THANGAMAYIL JEWELLERY LIMITED
4	Category/Sub-category of the Company	Company limited by Shares Non-govt company
5	Address of the Registered office & contact details	124 Nethaji Road Madurai 625001. Tel No : 0452-2345553
6	Whether listed company	Listed
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	S..K.D.C.Consultants Ltd., Knapathy 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
Not Applicable				

**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 01 - April - 2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	8,190,734	-	8,190,734	59.70%	8,325,771	-	8,325,771	60.69%	0.98%
b) Central /State Govt(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	927,042	-	927,042	6.76%	927,038	-	927,038	6.76%	(0.00)
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
TRUSTS	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>9,117,776</b>	<b>-</b>	<b>9,117,776</b>	<b>66.46%</b>	<b>9,252,809</b>	<b>-</b>	<b>9,252,809</b>	<b>67.44%</b>	<b>0.98%</b>
<b>(2) Foreign</b>									
a) NRI /Foreign Individuals	-	-	-	-	-	-	-	-	-
b) Bodies Corp.	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e) Any Others(Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)</b>	<b>9,117,776</b>	<b>-</b>	<b>9,117,776</b>	<b>66.46%</b>	<b>9,252,809</b>	<b>-</b>	<b>9,252,809</b>	<b>67.44%</b>	<b>0.98%</b>
<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	817,000	-	817,000	5.95%	817,000	-	817,000	5.95%	0.00%
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Invest Funds	51,644	-	51,644	0.38%	49,687	-	49,687	0.36%	(0.01%)
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign portfolio Investors	500	-	500	0.00%	292,750	-	292,750	2.13%	2.13%
f) Financial Institutions/ Banks	8,312	-	8,312	0.06%	1,092	-	1,092	0.01%	(0.05%)
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Providend Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Any Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>877,456</b>	<b>-</b>	<b>877,456</b>	<b>6.40%</b>	<b>1,160,529</b>	<b>-</b>	<b>1,160,529</b>	<b>8.46%</b>	<b>2.06%</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01 - April - 2019]				No. of Shares held at the end of the year [As on 31 - March - 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	928,699	-	928,699	6.77%	707,002	-	707,002	5.15%	(1.62%)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>	-	-	-	-	-	-	-	-	-
i) Individual share holders holding nominal share capital upto ₹ 1 lakh	1,401,437	-	1,401,437	10.22%	1,357,670	-	1,357,670	9.90%	(0.32%)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,131,359	-	1,131,359	8.25%	932,660	-	932,660	6.80%	(1.45%)
<b>c) Others (specify)</b>									
Non Resident Indians	66,787	-	66,787	0.49%	83,206	-	83,206	0.61%	0.12%
Clearing Members	20,471	-	20,471	0.15%	60,114	-	60,114	0.44%	0.29%
Hindu Undivided Families	158,316	-	158,316	1.15%	161,888	-	161,888	1.18%	0.03%
Trusts	17,258	-	17,258	0.13%	3,657	-	3,657	0.03%	(0.10%)
Inv.Education & Protection Fund Auth	23	-	23	-	47	-	47	0.00%	0.00%
Sub-total (B)(2):-	3,724,350	-	3,724,350	27.15%	3,306,244	-	3,306,244	24.10%	(3.05%)
Total Public (B)	4,601,806	-	4,601,806	33.54%	4,466,773	-	4,466,773	32.56%	(0.98%)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>13,719,582</b>	<b>-</b>	<b>13,719,582</b>	<b>100.00%</b>	<b>13,719,582</b>	<b>-</b>	<b>13,719,582</b>	<b>100.00%</b>	<b>0.00%</b>

**ii) Shareholding of Promoters**

S.No	Shareholder's Name	Shareholding at the beginning of the year [As on 01 - April - 2019]			Shareholding at the end of the year [As on 31-March-2020]			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Balarama Govinda Das	2,679,439	19.53%	21.30%	2,711,441	19.76%	16.62%	0.23%
2	Ba. Ramesh	2,704,196	19.71%	21.10%	2,742,405	19.99%	16.43%	0.28%
3	N.B. Kumar	2,663,546	19.41%	21.42%	2,702,064	19.69%	16.67%	0.28%
4	B Annamayil	10	-	-	10	-	-	-
5	Yamuna Vasini Deva Dasi	20,200	0.15%	-	20,200	0.15%	-	-
6	B Rajeshkanna	21,480	0.16%	-	21,480	0.16%	-	-
7	Balasubbu Prasannan	21,480	0.16%	-	21,480	0.16%	-	-
8	B R Sumati	200	0.00%	-	200	0.00%	-	-
9	K Thamarai Selvi	22,500	0.16%	-	22,500	0.16%	-	-
10	Narayanan Balasubbu Arun	22,300	0.16%	-	22,300	0.16%	-	-
11	Balusamy Ramesh Darmini	22,083	0.16%	-	48,391	0.35%	-	0.19%
12	Gokul Ramesh	13,300	0.10%	-	13,300	0.10%	-	-
13	Thangamayil Gold & Diamond Private Limited	701,671	5.11%	-	701,669	5.11%	-	-
14	Balusamy Silvears Jewellery Private Limited	225,371	1.64%	-	225,369	1.64%	-	-
	<b>Total</b>	<b>9,117,776</b>	<b>66.46%</b>		<b>9,252,813</b>	<b>67.44%</b>		<b>0.98%</b>

**(iii) Change in Promoters' Shareholding**

S.No	Name	Shareholding at the beginning of (01.04.19)/ end of the year (31.03.2020)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Balarama Govinda Das	<b>2,679,439</b>	<b>19.53</b>	01-Apr-19			2,679,439	19.53
				14-Jun-19	9,601	Purchase	2,689,040	19.60
				28-Jun-19	5,400	Purchase	2,694,440	19.64
				05-Jul-19	3,891	Purchase	2,698,331	19.67
				19-Jul-19	15	Purchase	2,698,346	19.67
				16-Aug-19	10,554	Purchase	2,708,900	19.74
				30-Aug-19	2,541	Purchase	2,711,441	19.76
				31-Mar-20			<b>2,711,441</b>	<b>19.76</b>
2	Ba. Ramesh	<b>2,704,196</b>	<b>19.71</b>	01-Apr-19			2,704,196	19.71
				14-Jun-19	9,229	Purchase	2,713,425	19.78
				28-Jun-19	5,297	Purchase	2,718,722	19.82
				05-Jul-19	4,512	Purchase	2,723,234	19.85
				12-Jul-19	5	Purchase	2,723,239	19.85
				19-Jul-19	7	Purchase	2,723,246	19.85
				16-Aug-19	9,991	Purchase	2,733,237	19.92
				30-Aug-19	9,168	Purchase	2,742,405	19.99
		31-Mar-20			<b>2,742,405</b>	<b>19.99</b>		
3	N.B. Kumar	<b>2,663,546</b>	<b>19.41</b>	01-Apr-19			2,663,546	19.41
				14-Jun-19	9,499	Purchase	2,673,045	19.48
				21-Jun-19	4,406	Purchase	2,677,451	19.52
				05-Jul-19	4,869	Purchase	2,682,320	19.55
				19-Jul-19	11	Purchase	2,682,331	19.55
				26-Jul-19	2	Purchase	2,682,333	19.55
				16-Aug-19	10,455	Purchase	2,692,788	19.63
				30-Aug-19	3,000	Purchase	2,695,788	19.65
		27-Sep-19	6,276	Purchase	2,702,064	19.69		
		31-Mar-19			<b>2,702,064</b>	<b>19.69</b>		
4	B. Annamayil	<b>10</b>	<b>0.00</b>	01-Apr-19			10	0.00
				31-Mar-20			<b>10</b>	<b>0.00</b>
5	Yamuna Vasini Deva Dasi	<b>20,200</b>	<b>0.15</b>	01-Apr-19			20,200	0.15
				31-Mar-20			<b>20,200</b>	<b>0.15</b>
6	B. Rajeshkanna	<b>21,480</b>	<b>0.16</b>	01-Apr-19			21,480	0.16
				31-Mar-20			<b>21,480</b>	<b>0.16</b>

**(iii) Change in Promoters' Shareholding**

S.No	Name	Shareholding at the beginning of (01.04.19)/ end of the year (31.03.2020)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
7	Balasubbu Prasannan	<b>21,480</b>	<b>0.16</b>	01-Apr-19			21,480	0.16
				31-Mar-20			<b>21,480</b>	<b>0.16</b>
8	B.R. Sumati	<b>200</b>	<b>0.00</b>	01-Apr-19			200	0.00
				31-Mar-20			<b>200</b>	<b>0.00</b>
9	K. Thamaraiselvi	<b>22,500</b>	<b>0.16</b>	01-Apr-19			22,500	0.16
				31-Mar-20			<b>22,500</b>	<b>0.16</b>
10	Narayanan Balasubbu Arun	<b>22,300</b>	<b>0.16</b>	01-Apr-19			22,300	0.16
				31-Mar-20			<b>22,300</b>	<b>0.16</b>
11	Balusamy Ramesh Darmini	<b>22,083</b>	<b>0.16</b>	01-Apr-19			22,083	0.16
				12-Apr-19	517	Purchase	22,600	0.16
				31-May-19	826	Purchase	23,426	0.17
				14-Jun-19	6,060	Purchase	29,486	0.21
				19-Jul-19	4,000	Purchase	33,486	0.24
				16-Aug-19	1,900	Purchase	35,386	0.26
				06-Sep-19	75	Purchase	35,461	0.26
				13-Sep-19	1,975	Purchase	37,436	0.27
				27-Sep-19	265	Purchase	37,701	0.27
				15-Nov-19	3,046	Purchase	40,747	0.30
				22-Nov-19	534	Purchase	41,281	0.30
				29-Nov-19	3,750	Purchase	45,031	0.33
				13-Dec-19	578	Purchase	45,609	0.33
				20-Dec-19	1,622	Purchase	47,231	0.34
		27-Mar-20	1,160	Purchase	48,391	0.35		
		31-Mar-20			<b>48,391</b>	<b>0.35</b>		
12	Gokul Ramesh	<b>13,300</b>	<b>0.10</b>	01-Apr-19			13,300	0.10
				31-Mar-20			<b>13,300</b>	<b>0.10</b>
13	Thangamayil Gold and Diamond Private Limited	<b>701,671</b>	<b>5.11</b>	01-Apr-19			701,671	5.11
				04-Oct-19	(2)	Sales	701,669	5.11
				31-Mar-20			<b>701,669</b>	<b>5.11</b>
14	Balusamy Silvears Jewellery Private Limited	<b>225,371</b>	<b>1.64</b>	01-Apr-19			225,371	1.64
				04-Oct-19	(2)	Sales	225,369	1.64
				31-Mar-20			<b>225,369</b>	<b>1.64</b>

**(iv) TOP Ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	Name	Shareholding at the beginning of (01.04.19)/ end of the year (31.03.2020)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	SBI Mutual funds (Group)	<b>817,000</b>	<b>5.95</b>	01-Apr-19			817,000	5.95
				31-Mar-20			<b>817,000</b>	<b>5.95</b>
2	Luxmi Township Limited	<b>150,097</b>	<b>1.09</b>	01-Apr-19			150,097	1.09
				31-Mar-20			<b>150,097</b>	<b>1.09</b>
3	Aadi Financial Advisors LLP	<b>148,828</b>	<b>1.08</b>	01-Apr-19			148,828	1.08
				02-Aug-19	(3,029)	Sales	145,799	1.06
				31-Mar-20			<b>145,799</b>	<b>1.06</b>
4	Matthews Asia Small Companies Fund	-	-	01-Apr-19			0	-
				14-Feb-20	1,121	Purchase	1,121	0.01
				21-Feb-20	2,768	Purchase	3,889	0.03
				28-Feb-20	5,846	Purchase	9,735	0.07
				06-Mar-20	4,066	Purchase	13,801	0.10
				13-Mar-20	9,520	Purchase	23,321	0.17
				20-Mar-20	64,305	Purchase	87,626	0.64
				21-Mar-20	39,409	Purchase	127,035	0.93
				31-Mar-20	4,970	Purchase	132,005	0.96
				31-Mar-20			<b>132,005</b>	<b>0.96</b>
5	Lakshmanan Sivakumar	<b>93,153</b>	<b>0.68</b>	01-Apr-19			93,153	0.68
				31-Mar-20			<b>93,153</b>	<b>0.68</b>
6	Massachusetts Institute of Technology	-	-	01-Apr-19			0	-
				13-Sep-19	1,700	Purchase	1,700	0.01
				18-Oct-19	5,963	Purchase	7,663	0.06
				15-Nov-19	9,661	Purchase	17,324	0.13
				22-Nov-19	23,187	Purchase	40,511	0.30
				29-Nov-19	14,611	Purchase	55,122	0.40
				06-Dec-19	5,278	Purchase	60,400	0.44
				13-Dec-19	11,400	Purchase	71,800	0.52
				20-Dec-19	9,700	Purchase	81,500	0.60
				27-Dec-19	10,200	Purchase	91,700	0.67
				31-Dec-19	600	Purchase	92,300	0.67
31-Mar-20			<b>92,300</b>	<b>0.67</b>				
7	Rowenta Networks Private Limited	<b>72,296</b>	<b>0.53</b>	01-Apr-19			72,296	0.53
				31-Mar-20	-		<b>72,296</b>	<b>0.53</b>

S.No	Name	Shareholding at the beginning of (01.04.19)/ end of the year (31.03.2020)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
8	Musthafa Mazahir Khedwala	<b>50,000</b>	<b>0.36</b>	01-Apr-19			50,000	0.36
				17-May-19	1,750	Purchase	51,750	0.38
				09-Aug-19	1,000	Purchase	52,750	0.38
				30-Aug-19	700	Purchase	53,450	0.39
				06-Sep-19	167	Purchase	53,617	0.39
				01-Nov-19	14,950	Purchase	68,567	0.50
				27-Mar-20	513	Purchase	69,080	0.50
				31-Mar-20	550	Purchase	69,630	0.51
				31-Mar-20			<b>69,630</b>	<b>0.51</b>
9	Infina Finance Private Limited	<b>121,955</b>	<b>0.89</b>	01-Apr-19			121,955	0.89
				09-Aug-19	12,100	Purchase	134,055	0.98
				06-Sep-19	(494)	Sales	133,561	0.97
				27-Sep-19	(7,176)	Sales	126,385	0.92
				07-Feb-20	(17,095)	Sales	109,290	0.80
				20-Mar-20	(25,457)	Sales	83,833	0.61
				27-Mar-20	(8,458)	Sales	75,375	0.55
				31-Mar-20	(6,067)	Sales	69,308	0.51
				31-Mar-20			<b>69,308</b>	<b>0.51</b>
10	Ramesh Damani	<b>65,638</b>	<b>0.48</b>	01-Apr-19			65,638	0.48
				31-Mar-20			<b>65,638</b>	<b>0.48</b>
11	Avinash Wadwa	<b>58,964</b>	<b>0.43</b>	01-Apr-19			58,964	0.43
				31-Mar-20			<b>58,964</b>	<b>0.43</b>
12	Anshual Saigal	<b>116,914</b>	<b>0.85</b>	01-Apr-19			116,914	0.85
				31-May-19	(1,091)	Sales	115,823	0.84
				21-Jun-19	(5,501)	Sales	110,322	0.80
				05-Jul-19	(1,417)	Sales	108,905	0.79
				26-Jul-19	(525)	Sales	108,380	0.79
				02-Aug-19	(1,125)	Sales	107,255	0.78
				09-Aug-19	(20,000)	Sales	87,255	0.64
				22-Nov-19	(10,942)	Sales	76,313	0.56
				20-Dec-19	(8,085)	Sales	68,228	0.50
				24-Jan-20	(55)	Sales	68,173	0.50
				21-Feb-20	(4,000)	Sales	64,173	0.47
				28-Feb-20	(4,000)	Sales	60,173	0.44
				20-Mar-20	(18,566)	Sales	41,607	0.30
				31-Mar-20			<b>41,607</b>	<b>0.30</b>



S.No	Name	Shareholding at the beginning of (01.04.19)/ end of the year (31.03.2020)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year 01.04.2019 to 31.03.2020	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
13	Akash Bansali	<b>100,000</b>	<b>0.73</b>	01-Apr-19			100,000	0.73
				20-Sep-19	(11,795)	Sales	88,205	0.64
				25-Oct-19	(20,705)	Sales	67,500	0.49
				07-Feb-20	(67,500)	Sales	0	-
				31-Mar-20			<b>0</b>	<b>-</b>

**V. INDEBTEDNESS**

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

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	18,244.89	1,334.70	4,779.77	24,359.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	208.45	208.45
<b>Total (i+ii+iii)</b>	<b>18,244.89</b>	<b>1,334.70</b>	<b>4,988.22</b>	<b>24,567.82</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,473.26	121.19	436.13	3,030.58
* Addition	-	-	8.27	8.27
Net Change	2,473.26	121.19	444.40	3,038.85
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	20,718.15	1,455.90	5,215.90	27,389.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	216.72	216.72
<b>Total (i+ii+iii)</b>	<b>20,718.15</b>	<b>1,455.90</b>	<b>5,432.62</b>	<b>27,606.67</b>

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

(₹ in lakhs)

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total
		Balarama Govinda Das	Ba. Ramesh	N B Kumar	
	<b>Name</b>				
	<b>Designation</b>	<b>MD</b>	<b>JMD</b>	<b>JMD</b>	
	<b>Gross salary</b>				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.00	72.00	72.00	216.00
	(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	-	-	-	-
	<b>Total (A)</b>	<b>72.00</b>	<b>72.00</b>	<b>72.00</b>	<b>216.00</b>

**B. Remuneration to other Directors**

(₹ in lakhs)

S.No	Particulars of Remuneration	Name of Directors					Total Amount
		V R Muthu	Lalji Vora	S Rethinavelu	V Ramasamy	SM Chandra sekaran	
	<b>Independent Directors</b>						
1	Fee for attending board committee	0.20	0.25	0.30	0.05	0.05	0.85
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.20</b>	<b>0.25</b>	<b>0.30</b>	<b>0.05</b>	<b>0.05</b>	<b>0.85</b>
	<b>Other Non-Executive Directors</b>	<b>Yamuna Vasini Deva Dasi</b>					
	Fee for attending board committee	0.25					0.25
2	Commission						
	Others, please specify						
	<b>Total (2)</b>	<b>0.25</b>					<b>0.25</b>
	<b>Total (B)=(1+2)</b>	<b>0.45</b>	<b>0.25</b>	<b>0.30</b>	<b>0.05</b>	<b>0.05</b>	<b>1.10</b>
	Total Managerial Remuneration						<b>217.10</b>
	Overall Ceiling as per the Act						

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

(₹ in lakhs)

S.No	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	<b>Name</b>	<b>V Vijayaraghavan</b>	<b>B.. Rajeshkanna</b>	
	Designation	Company Secretary	CFO	
	Gross salary	15.50	28.80	44.30
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	-	-	-
	<b>Total</b>	<b>15.50</b>	<b>28.80</b>	<b>44.30</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Companies Section of the Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE -6****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

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

**To,**

**The Members,**

**THANGAMAYIL JEWELLERY LIMITED,**

**MADURAI**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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, 2020 according to the provisions of;

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

**6. Other Laws applicable to the Company;**

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

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

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

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

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

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

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

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

All 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**

UDIN Number: **A008825B000356678**

Place: MADURAI

Date: 29.06.2020

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**

UDIN Number: **A008825B000356678**

Place: MADURAI

Date: 29.06.2020



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**
**(Pursuant to Regulation 34(3) and Schedule V Para Clause (10)(i) of the SEBI**
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**
**To**
**The Members of Thangamayil Jewellery Limited,**
**124 Nethaji Road,**
**Madurai 625 001.**

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of THANGA MAYIL JEWELLERY LIMITED having CIN L36911TN2000PLC044514 and having registered office at 124 NETHAJI ROAD MADURAI 625001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

S.No.	Name of Director	Designation	DIN	Date of appointment in Company
1	Balarama Govinda Das	Managing Director	00266424	03.05.2001
2	Ba. Ramesh	Whole Time Director	00266368	03.05.2001
3	N.B.Kumar	Whole Time Director	01511576	03.05.2001
4	S.Rethinavelu	Director	00935338	26.09.2007
5	Lalji Vora	Director	01899070	26.09.2007
6	V.R.Muthu	Director	01908841	26.09.2007
7	V. Ramasamy	Director	00266424	25.05.2016
8	Yamuna Vasini Deva Dasi	Director	01388187	04.02.2015
9	Sivanandi Chandrasekaran	Director	08719332	14.03.2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

 Name : **S.MUTHURAJU**

 Membership No. : **8825**

 C.P No. : **4181**

 UDIN Number: **A008825B000323150**

Place : Madurai

Date : 29.06.2020

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

India's gems and Jewellery sector is one of the largest sector in the world contributing 29 per cent to the global Jewellery consumption. The market size of the sector is about US\$ 75 billion as of 2018 and is estimated to reach US\$ 100 billion by 2025. The sector is home to more than 300,000 gems and Jewellery players, contributes about 7 per cent to India's Gross Domestic Product (GDP) and employs over 4.64 million employees.

The Indian economy was expected to grow at just 5 per cent this year, as per the first GDP estimates released by the government. It is essential in such times that the government should provide instant relief by lowering the duties and taxes, apart from taking necessary actions to target new export markets to analyze and control the risk and tackle unexpected situations like the virus outbreak. Supply chain will remain unsettled for at least a year, as in Gems & Jewellery trade over 90% of the raw material is imported and imports are again on a complete standstill. The industry will feel its effects for at least a year.

There is a massive slowdown in the entire market due to Coronavirus, and it has affected the sales of gold drastically. People have been asked to stay indoors, which has led to the closure of retail shops as there are no buyers of gold anymore. At the same time, all offline sales are expected to be down by 80%. The only way to increase sales is to reach online trades. Owing to the economic crisis that this Coronavirus will unleash, the Gems & Jewellery industry will be on a complete halt for at least six months.

Buying Gems & Jewellery will be the last on the priority list for anyone for the next least six months. The industry is sure to have lost over 75-80 % sales this month as individuals are purchasing only essential products and tend to keep cash on them as there is no clarity on how long this crisis will prevail. There is a constant fear that the situation may worsen. This time range may still increase owing to the effect on the GDP of the country, which is already not in a perfect place. Besides, many employees will have to be sent on unpaid leaves for months as there will be minimal or no work for the employees. It will leave an effect on many households, and the buying capacity of every home will thereby decrease drastically. In such circumstances, no one will be opting to invest in Gems or Jewellery.

India's average gold demand is around 850 tonnes owing to its affinity to gold and social and economic context, and the country's gold demand was anticipated to be approximately of 700-800 tonnes in 2020, as per the WGC. The Dhanteras and Diwali festivals were the only hopes, but the unpredictability along with higher costs has impacted the demand. With the shutting down of many malls and postponing or scaling down of marriages have also left an impact on the demand. India's Gems & Jewellery sales are set to drop to the lowest in a quarter of a century, and when we get through with the lockdown, it is a long fight ahead. The trade body, along with the Gem & Jewellery Export Promotion Council is discovering ways to help several small workers employed in the industry who earn daily/weekly wages.

The industry is looking for an expansion for loan repayments and a decrease in import tax on gold to 4% from present 12.5% to help Jewellers. The above statistics and analysis depict that the Gems & Jewellery Industry are in the doldrums. These are times when significant industries will face a sharp blow which will thereby affect the country's economy. We all need to stand strong and prepare ourselves for the impact that this virus will leave on our lives and businesses.

### MARKET SIZE

India's gems and jewellery sector is one of the largest in the world contributing 29 per cent to the global jewellery consumption. The sector is home to more than 300,000 gems and jewellery players. Its market size will grow by US\$ 103.06 billion during 2019-2023.

India's demand for gold reached 760.4 tonnes in 2018 and 496.11 tonnes during first nine months of 2019. India's gems and jewellery exports stood at US\$ 25.11 billion in FY20P (till Jan 2020, Provisional). During the same period, exports of cut and polished diamonds stood at US\$ 16.32 billion, thereby contributing about 73.42 per cent of the total gems and jewellery exports in value terms. Exports of gold coins and medallions stood at US\$ 814.33 million and silver jewellery exports stood at US\$ 1.22 billion in FY20P (till Jan 2020). 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.

## 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 fulfil their changing demands better than the local unorganised 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 – December 2019 were US\$ 1.17 billion, according to Department for Promotion of Industry and Internal Trade (DPIIT).

## GOVERNMENT INITIATIVES

- ❁ The Government of India made hallmarking mandatory for Gold Jewellery and Artefacts. A period of one year is provided for implementation i.e. till January 2021.
- ❁ As per Union Budget 2019-20, the GST rate has been reduced from 18 per cent to 5 per cent (\*5 per cent without Input Tax Credit (ITC)) for services by way of job work in relation to gems and jewellery, leather goods, textiles etc.
- ❁ 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 Gems and Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Understanding (MoU) with Maharashtra Industrial Development Corporation (MIDC) to build India's largest jewellery park in at Ghansoli in Navi-Mumbai on a 25 acres land with about more than 5000 jewellery units of various sizes ranging from 500-10,000 square feet. The overall investment of Rs 13,500 crore (US\$ 2.09 billion).
- ❁ Gold Monetisation Scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.

## 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 compliances, economy, financials, Government policies, market related, operational, products and technology etc.,

The management has a rapid review of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision making process and to encourage proactive management and not reactive management. From the perspective of the company the risks are of the following nature:

- (a) **Strategic risk:** Those risks associated with operating in a particular industry and includes risks arising from demand changes, changes in customers preference, taste 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 Government Laws and regulations. They also apply to the need to act in a manner which stakeholders and customers expect.

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

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

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

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

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

#### **ANTI-FRAUD PROGRAMME.**

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

## INFORMATION TECHNOLOGY

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

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

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

## HUMAN RESOURCES & INDUSTRIAL RELATIONS

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

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

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

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

## SWOT ANALYSIS

### Strengths

- Renowned brand across in southern and western regions of Tamil Nadu.
- Adequate manufacturing facilities across the jewellery hub for strengthening of design
- Cost competitive logistics and synergy optimisation
- Capable to venture into new markets and exploit various opportunities with the help of strong experienced management team
- Having 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 Technology strength to support business operations and expansion

### Weaknesses

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

### Opportunities

- ❖ Sustained performance over the last few years in Madurai and surrounding areas for replication of the model in other Tier II/III cities in Tamil Nadu having similar customer profile.
- ❖ Growing preference for online platform
- ❖ Rural spending 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/ Advertisement & 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.

### Threats

- ❖ Presence of Small and un-organized industry players affects a sustained growth in the industry.
- ❖ Depending on bank finance and customer advances
- ❖ 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, KYC norms 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**
**RESULTS OF OPERATIONS**
**1. Net Revenue from Operations:**

(₹ in lakhs)

Particulars	FY 2019-20	FY 2018-19	Change	% of Change
Sale of Products	1,69,196	1,44,335	24,861	17%

Sales for the financial year 19-20 have increased by 17% when compared to the previous year.

**2. Other Income**

(₹ in lakhs)

Particulars	FY 2019-20	FY 2018-19	Change	% of Change
Other Operating Income	303	287	16	5%

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

**3. Gross Profit**

(₹ in lakhs)

Particulars	FY 2019-20	FY 2018-19	Change	% of Change
Revenue from Operations	1,69,196	1,44,335	24,861	17%
Less: Cost of Consumption	1,49,690	1,30,288	19,402	15%
<b>Gross Profit</b>	<b>19,506</b>	<b>14,047</b>	<b>5,459</b>	<b>39%</b>

Better gold price realization and silver and diamond products realisation contributed better this year.

**4. Profit Before Tax**

(₹ in lakhs)

Particulars	FY 2019-20	FY 2018-19	Change	% of Change
Profit before Taxation	6,942	4,554	2,387	52%

During the year, the company achieved profit before tax is ₹6,942 lakhs as against net profit of ₹4,554 lakhs.

**5. Total Comprehensive Income ( After Taxation )**

(₹ in lakhs)

Particulars	FY 2019-20	FY 2018-19	Change	% of Change
Total Comprehensive Income After taxation	4,529	3,025	1,504	50%

For the year company achieved net profit after tax of ₹4,529 lakhs. This performance is on account of improvement in gross profit margin, better return in diamonds & silver products, as well as increased gold price in the second half of the year.

## Financial Condition

### Overview

#### 1) Equity Share Capital

The issued, subscribed and paid up capital as at March 31, 2020 stood at ₹ 1,371.96 lakhs. There was no fresh infusion of capital during the year.

#### 2) Other Equity

Other Equity stood at ₹ 20,643 lakhs as against ₹ 17,947 lakhs in the previous year.

#### 3) Property , Plant and Equipment and Intangible Assets

Gross block of Fixed Asset is comprising of ₹ 9,377 lakhs for Land, Plant & Machinery, Furniture & Fixtures, Vehicle and ₹ 1,446 lakhs for buildings and ₹ 2,565 lakhs for Computer Equipments and software.

#### 4) Inventories

Inventories amounted to ₹ 56,393 lakhs as at 31st March 2020 as against ₹ 50,404 lakhs as at the previous year end.

#### 5) Trade Receivables

Trade Receivables amounted to ₹ 13 lakhs as at 31st March 2020 as against ₹ 217 lakhs as at 31st March 2019.

#### 6) Cash and Cash equivalents

Cash and bank balances with banks amounts to ₹ 199 lakhs as against ₹ 894 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 ₹ 2,940 lakhs as against ₹ 4,310 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 ₹ Nil as against ₹ 630 lakhs in the previous year. The advance payment of tax under MAT credit reversed during the year.

#### 9) Current Liabilities

Current liabilities excluding provisions amounting to ₹ 43,147 lakhs ( previous year ₹ 41,992 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 ₹ 19,059 lakhs as at 31st March 2020 as against ₹ 14,933 lakhs as at 31st March 2019. The increase in working capital is on account of internal accruals.

#### 11) Debt Equity Ratio

Your Company has got Average Net Debt Equity ratio of 2.11 as at 31.3.2020 as against 2.10 as at 31.03.2019.

#### 12) Current Ratio

Your Company having current ratio 1:1.44 as at 31.3.2020 as against 1:1.36 as at 31.03.2019

#### 13) Interest Coverage Ratio

Your Company having interest coverage of 4.76 times as at 31.3.2020 as against 3.61 times as on 31.03.2019.

#### 14) Inventory Turnover Ratio

Your Company has got inventory turnover ratio of 3.00 times as at 31.3.2020 as against 2.86 times as at 31.03.2019

## Business Responsibility Report

The section is as per regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### SECTION A:

#### General Information About The Company

1. Corporate Identity Number (CIN) of the Company: L36911TN2000PLC044514
2. Name of the Company: THANGAMAYIL JEWELLERY LIMITED.,
3. Registered office address: 124, Nethaji road, Madurai- 625001
4. Website: [www.thangamayil.com](http://www.thangamayil.com)
5. E-mail id: [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com)
6. Financial Year reported: 1st April 2019 to 31st March 2020
7. Sector(s) that the company is engaged in (Industrial activity code-wise): NIC Code Product Description 3211 Jewellery, Silver articles / ware and Diamond & Gems.
8. List key three products / services that the Company manufactures/provides (as in balance sheet): A. Gold jewellery B. Silver articles C. Diamond & Gems.
9. Total Number of locations where business activity is undertaken by the company
  - a. Number of locations in Tamilnadu, India: The Company's products are distributed across 47 retail outlets. 2. Manufacturing and assembly facilities.
10. Markets served by the Company: The Company sells its products across Tamil nadu, India.

### SECTION B:

#### Financial Details of the Company

1. Paid up capital (INR): 13.71 Crores
2. Total Turnover (INR): 1,69,196 lakhs
3. Total Profit after Taxes (INR): 4,529 lakhs
4. Total CSR spending as percentage of Profit after Tax (INR): Refer Annexure II
5. List of activities in which spends have been incurred: Refer Annexure II to the Board's Report.

### SECTION C: Other Details

1. Does the company have any subsidiary Company / Companies? No
2. Do the Subsidiary Company/companies participate in the BR initiatives of the parent company: NA
3. Does any other entity/entities (e.g. suppliers, distributors etc.) that the company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? No.

### SECTION D: BR Information

#### 1. Details of Director / Director responsible for BR

##### (a) Details of Director/Director responsible for implementation of the BR policy/policies

1. DIN: 00266424
2. Name: Mr. Balarama Govinda Das
3. Designation: Managing Director

**(b) Details of BR Head**

1. DIN: 01334048
2. Name: Mr.B.Rajeshkanna
3. Designation: Chief financial officer
4. Mobile: 9843897544
5. E Mail id: cfo@thangamayil.com

**2. Principle wise (as per National Voluntary Guidelines) BR policy /policies**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These briefly are as follows:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3 Businesses should promote the well being of all employees
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5 Businesses should respect and promote human rights
- P6 Business should respect, protect, and make efforts to restore the environment
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8 Businesses should support inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

**A. Details of compliance (Reply in Y/N)**

S.No	No. Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for (Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any nation/ international standards? If Yes, specify. (Refer Note 2)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online (Refer Note 3)	1,2	1,4	1	1,3,5	1	1,4	1	1,5	1
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy or policies to address the stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? (Refer Note 4)	Y	Y	Y	Y	Y	Y	Y	Y	Y

**Note 1:** The Company has adopted Code of Conduct which covers major salutary principles of the Code of Conduct as follows:

1. Conduct of Business in consonance with national interest
2. Fair and accurate presentation of Financial Statements
3. Practicing politically Non-alignment principles.
4. Maintaining quality of product and services.
5. A good corporate citizen.
6. To follow ethical conduct, code and related principles.
7. Commitment to enhance share holder values and statutory compliances.

The Company has a dedicated policy towards the well being of its employees which integrate employee welfare and enable them for enhanced engagement with the company. So also the company has a well defined CSR policy to serve the needs of the community and other category as specified under the Companies act, 2013. The company with full understanding recognizes the impact of economic and commercial systems and therefore the company's code of conduct embodies the policies and principles of respecting and promoting human rights and proper communication with all stakeholders for overall adherence of the code of conduct polices framed by the company.

**Note 2:** The company has structured it's polices as a result of due discussions, consultations and adoption of such best practices which apply to all employees of the company and all stakeholders as well. The company promotes Hallmarked 916 products and we have been pioneers in promoting and educating the customers on 916 gold ornaments for the last two decades.

**Note 3:** The following policies can be accessed at:

- 1: Code of Conduct available at <https://www.thangamayil.in/investors/corporate-governance/policies>
- 2: Whistle Blower Policy <https://www.thangamayil.in/investors/corporate-governance/policies>
- 3: CSR Policy available at <https://www.thangamayil.in/investors/corporate-governance/policies>
- 4: Sustainability Policy available at <https://www.titancompany.in/content/sustainability-policy>
- 5: Affirmative Action Policy available at <https://www.titancompany.in/investors/corporate-governance/policies>

**Note 4:** All policies applicable to the Company are evaluated internally.

(b) If answer to question at serial number 1 against any principal is 'No', please explain why: Not Applicable

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, committee of the board or CEO to assess the BR performance of the company. Within 3 months, 3-6 months, Annually, More than 1 year

This is applicable to us from the current year and accordingly the matter will be reviewed periodically every six months by the Board. The company normally conducts 5-6 Board meetings and the gap between 2 meetings not exceeding 120 days. The Board at its meetings reviews points on sustainability, CSR, environment, health and safety.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyper link for viewing this report? How frequently is it published?

This has become applicable to us from the current year and accordingly annually it will be published and will be available at our website at [www.thangamayil.com](http://www.thangamayil.com)

**SECTION E: Principle-Wise Performance****Principle 1**

1. Does the policy related to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the group/JV/Suppliers/Contractors/ NGO's others?

No. The Company's ethics policy as enunciated in our code of conduct extends to all vendors / suppliers / contactors and NGO's etc.,

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide details in about 50 words or so.

The policy is applicable only from 2019-20 onwards and no complaints has been received.

Regarding investors complaints it is "Nil" as of date.

**Principle 2**

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and opportunities.

The three product categories, i.e., Gold Jewellery, Silver articles and Diamond incorporate principles of Social and Environmental Management Systems (EMS) at various levels of operations.

2. For each product, provide the following details in respect of resource usage (Energy water, raw material, etc.):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year

We are only doing retail business and hence the question of energy or water usage does not arise.

3. Does the company have procedures in place for sustainable sourcing including transportation? If yes provide details of what percentage has been sourced sustainably:

The company sources the supply from its own vendors for Gold jewelry, silver articles and Diamond and gems. The company is engaged with vendors identified as a source for supply of above products and each vendor is viewed as a partner in the process of business growth enabling mutual long term sustainable growth. Further the business responsibility extends to vendors/ supply chain partners, the people from whom the products are sourced. Vendors are a part of the company's supply group and their relationship with the company is a continuous process of reflection with regard to sourcing.

Each and every product of the company has its own supply chain process, for jewellery like plain gold jewellery, studded one is largely sourced and the vendor base varies from large suppliers and also regular supply chain. The diamond is procured from specified reputed vendors and also we market branded Diamond jewellery in our retail business.

In order to support sustainable sourcing, we have tie up with vendor to balance and leverage their expertise for specialized operations and our jewellery division has implemented processes to access responsible sourcing across our supply chain.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company encourages the local suppliers in order to help them to scale up and to improve their operations apart from ensuring sustainable livelihood in the neighbourhood of its operations and expects to build more stronger and long-term tie up with them.

We also advise them on quality and environmental aspects etc., and of handling hazardous products.

We provide required support on implementing safety through safety training, audits etc.,

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%) Also provide details in about 50 words or so.

Yes >10%. The Company has adopted a focused strategy towards waste management through waste minimization and conservation of resources. This continued effort to eliminate, recycle and reuse waste, has resulted in less waste being disposed. Gold, which is one of the key raw materials, is 100% recycled and old Jewellery obtained through exchange schemes are recycled. The waste is segregated at source and disposed safely.

### Principle 3

1. Please indicate the total number of employees?

**1343** employees as on 31st March 2020.

2. Please indicate the total number of employees hired on temporary/contractual and casual basis

An indicative number of the employees hired in contractual/temporary basis were **70**, as on 31st March 2020.

3. Please indicate the number of permanent women employees **533** women employees as on 31st March 2020.

4. Please indicate the number of permanent employees with disabilities **3** employees as on 31st March 2020.

5. Do you have an employee association that is recognized by the management? No.

6. What percentage of your permanent employees is members of this recognized employee association? Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

The Company has adopted a Policy on Prevention of Sexual Harassment at Workplace and has internal committees to deal with concerns raised by employees.

During the financial year 2019-20, the Company has NIL complaints on sexual harassment.

There were no complaints in other areas also.

8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?

- Permanent employees
- Permanent women employees
- Casual / temporary/contractual employees
- Employees with disabilities

Almost all permanent employees including woman employees and employees with disabilities are covered under this category.

All employees who join the Company are covered under safety and occupational health training. This training includes ergonomics, life-saving skills, emergency preparedness, electrical safety and behavioural based safety.

### Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes



3. Are there any special initiatives taken by the company to engage with the disadvantaged vulnerable and marginalized stakeholders? If so provide details in about 50 words Yes.

The Policies cover these in detail. The Company has been a strong advocate of diversity and inclusion through its practices.

The Company's CSR focus is driven by broad themes such as Gosala, health care, Eye camps, Blood donations and other activities such as plant saplings, provide water to the needy and support for education and allied activities.

#### Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/JV partners/Suppliers /Contractors/NGO's others?

The Company's policy on human rights as detailed in the code of Conduct extends to suppliers, contractors, NGO's and others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

None was received.

#### Principle 6

1. Does the policy related to Principle 6 cover only the company or extend to the Group/Jv/Suppliers /Contractors/NGO's / others?

No, the policy extends to suppliers, contractors, NGO's and others.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. Y/N?

Not applicable

3. Does the company identify and assess potential environmental risks?

Not applicable

4. Does the company have any project related to clean development mechanism? If so provide details thereof, in about 50 words or so. Also if yes, whether any environment compliance report is filed:

Not applicable

5. Has the company undertaken any other initiatives on – Clean technology, energy efficiency, renewable energy etc. If Yes please give hyper link for web page:

No

6. Are the Emissions / Waste generated by the company within the permissible limits given by the CPCB/SPCB for the financial year being reported?

Not applicable.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of financial year:

Not applicable

#### Principle 7

1. Is your company a member of any trade and chamber or association? If yes name only the major ones that your business deals with

1. Federation of Tamilnadu Chambers of Commerce & Industry (FTCCI)
2. Madurai Jewellery Retailers Association.

3. Gem and Jewellery exports promotion Council.
  4. Indian Bullion Merchant Association.
2. Have you advocated / lobbied through the above associations for the advertisement or improvement of public good? Yes/No if yes specify the broad areas
- Yes: we have been continuously making representations regarding Jewellery industry practices and various problems faced by the retail industry.

### Principle 8

1. Does the company have specified programs / initiatives / projects in pursuit of the policy related to principle 8? If yes details, thereof
- Yes. The Company's initiatives and projects support inclusive growth. Please refer to CSR Report in Annexure 2 to the Board's Report.
2. Are the programs / projects undertaken through in-house team/own foundation / external NGO/ government structures and any other organization:
- Please refer to the CSR Report which is annexed as Annexure 2 to the Board's Report in this Annual Report.
3. Have you done any impact assessment of your initiative?
- Yes
4. What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken
- During the financial year 2019-20, the Company spent Rs.66.87 lakhs towards CSR initiatives. Details of the projects are available in Annexure II to the Board's Report.
5. Have you taken steps to ensure this community development initiative is successfully adopted by the community? Please explain in 50 words or so.
- Yes. We are constantly in touch with the community people in connection with our CSR activity and it has resulted in better understanding, the outcome of which has been acknowledged by the community.

### Principle 9

1. What percentage of the customer complaints / consumer cases is pending as on end of the financial year?
- None.
2. Does the company display product information on the product label, over and above what is mandated by local laws?
- Not applicable.
3. Is there any case filed by any stakeholder against the company regarding the unfair trade practices, irresponsible advertising, and / or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide the details thereof in about 50 words or so:
- None / Not applicable
4. Did the company carry out any consumer survey / consumer satisfaction trends?
- Yes. We carry out periodical survey for our internal improvement purposes.

**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 requirements are complied with for effective corporate governance. To this end, the company's philosophy on corporate governance is to endeavor to ensure:

❖ That system procedure which monitors compliance with laws, rules and regulations are in place in each area of its Business.

❖ That relevant information regarding the company and its operations is disclosed, disseminated and easily available to its shareholders and

❖ 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:

❖ Conduct of business in consonance with National interest.

- ❖ Fair and accurate presentation of Financial Statements.
- ❖ Practicing politically non- alignment.
- ❖ Maintaining quality of product and services.
- ❖ Being a good corporate citizen.
- ❖ Ethical conduct.
- ❖ 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 stakeholders 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, 2020, the Company's Board consists of 9 directors and is headed by its Chairman and Managing Director, Mr. Balarama Govinda Das, out of which, five 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 2019-20 and the gap between two meetings did not exceed four months. The dates, on which the Board meetings were held, are as follows:

29 April 2019, 22 May 2019, 1 August 2019, 31st October 2019, 5th February 2020, and 14th March 2020.

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 1st August 2019. 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	6	Yes	-	-
Mr. LaljiVora	Independent Non-executive	6	5	Yes	-	-
Mr. V.R. Muthu	Independent Non-executive	6	4	Yes	1	-
Mrs. Yamuna Vasini deva dasi	Promoter & Non-executive	6	5	Yes	-	-
Mr. V. Ramasamy	Independent Non-executive	6	1	Yes	-	-
Mr.S.M. Chandrasekaran#	Independent Non-executive	6	1	No	-	-

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

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

# appointed on 14th March 2020

### 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.

**Disclosure of relationship between Directors-Inter-se:**

The three whole time directors namely Shri.Balarama Govinda Das, Shri.Ba.Ramesh & Shri.N.B.Kumar, are brothers each other and Smt.Yamuna Vasini Deva Dasi, Non-executive director (Woman) is related to Shri.Balarama Govinda das, Managing director as his spouse. All other Non-Executive directors are in no way related to the promoter directors or among themselves.

**Number of shares held by Non-Executive Directors:**

- |                                |          |
|--------------------------------|----------|
| 1) Smt.Yamuna Vasini Deva Dasi | - 20,200 |
| 2) Shri.Lalji vora             | - 100    |
| 3) Shri.S.Rethinavelu          | - Nil    |
| 4) Shri.V.R.Muthu              | - Nil    |
| 5) Shri.V.Ramasamy             | - Nil    |

**Web-link of Familiarization programs to Independent Directors:**

Please refer our website [https://www.thangamayil.com/media/other\\_reports/TMJL-Familiarisation-programme.pdf](https://www.thangamayil.com/media/other_reports/TMJL-Familiarisation-programme.pdf) for details.

**Chart of Skills/Expertise/competence of Board of Directors:**


## AUDIT COMMITTEE

During the year, four meetings of the Audit Committee were held on 22 May 2019, 1 August 2019, 31st October 2019, and 5th February 2020.

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

The following table summarizes attendance of Audit Committee members during the year under review:

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

The Company Secretary acts as the Secretary to the Committee.

The role of the Committee shall be as under:

- 1) Oversee of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- 3) Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
  - ❖ Any changes in accounting policies and practices.
  - ❖ Matter included in the Director's responsibility Statement.
  - ❖ Major accounting entries based on exercise of judgment by management.
  - ❖ Qualifications in draft audit report.
  - ❖ Significant adjustments arising out of audit.
  - ❖ The going concern assumption.
  - ❖ Compliance with accounting standards.
  - ❖ Compliance with stock exchange and legal requirements concerning financial Statements.
  - ❖ 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, on 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 on 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) Discussions with external auditors before the audit commencement about the nature and scope of audit as well as have 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 and Secretarial Auditors;
- 12) Reviewing reports of Cost audit, Secretarial audit and discussion with Secretarial Auditors on any significant findings by them;
- 13) Reviewing the Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- 14) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.

**In addition to the above, the Audit committee shall also mandatorily review the following:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. 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:

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

The terms of reference of the Remuneration Committee are:

- ❖ The Remuneration Committee recommends to the board the compensation terms of the executive directors.
- ❖ Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.

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

- ❖ 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 2019-2020, is given below:-

(₹ in lakhs)

Name of the person	Designation	Remuneration – Salary up to a Maximum
Sri. Balarama Govinda Das	Managing Director	72.00
Sri. Ba.Ramesh	Joint Managing Director	72.00
Sri. N.B.Kumar	Joint Managing Director	72.00

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

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

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

#### Particulars of Sitting Fees paid and details of shareholding of Independent Directors during the financial year 2019-20.

Name of the Directors	Sitting Fees (in ₹)	No of Equity Shares Held
Sri. S. Rethinavelu	30,000	-
Sri. LaljiVora	25,000	100
Sri. V.R. Muthu	20,000	-
Smt.Yamuna Vasini Deva Dasi (Non-Executive/ Non-Independent Director)	25,000	20,200
Sri.V.Ramasamy	5,000	-
Sri.S.M. Chandrasekaran	5,000	-
<b>Total</b>	<b>110,000</b>	<b>20,300</b>

## 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. LaljiVora	Chairman
Sri. Balarama Govinda Das	Member
Sri. Ba. Ramesh	Member
Sri N.B.Kumar	Member
Sri.V.Vijayaraghavan	Company Secretary

All the investors' complaints were resolved as on 31st March 2020 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, 2020 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. LaljiVora	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 balance that was available and carried over for the financial year 2019-20 of Rs.111.83 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.

S.No	Details	Rs. In lakhs
1	Gosala funding	54.55
	Towards medical / Eye camp to poor	5.00
	Food and Water to the public	5.28
1	Plants sapling for public benefits	0.82
2	Storm relief ( Gaja Puyal)	1.59
	<b>Total</b>	<b>67.24</b>

The company has spent a sum of Rs.67.24 lakhs towards the following activities in the financial year ended 31.03.2020

As against Rs.111.83 lakhs to be spent, the company has spent a sum of Rs.67.24 lakhs as per above details thereby there is a balance amount of Rs.44.59 lakhs to be spent.

#### INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 5th February, 2020, 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 showroom and manufacturing units. The board has approved Capex on manufacturing units and new showroom modernisation and other developmental activities.

#### RELATED PARTY TRANSACTIONS

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

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

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

#### DISCLOSURES

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

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (Ind AS)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](http://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, 2020, 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 Tamil viz., Dinamalar, DhinaThanthi and DhinaMani.

**Website:**

The company has in place a website addressed as [www.thangamayil.com](http://www.thangamayil.com). In terms of the Listing Agreement pertaining to electronic data information filing and retrieval, the financial results and the quarterly distribution schedules as filed with the Stock Exchanges. 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](mailto:companysecretary@thangamayil.com) for the purpose of registering complaints, if any, by the shareholders and expeditious redressal of their grievances.

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

**Dematerialisation of shares and liquidity:**

TMJL shares are tradable compulsorily in electronic form and, through M/s. SKDC Consultants Limited, Registrars and Share Transfer Agents; we have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at March 31, 2020, 100% of our shares were held in dematerialized form and the rest in physical form.

Category	Number of Shares	% of Total Equity
NSDL	1,25,61,101	91.56%
CDSL	11,58,481	8.44%
<b>Total</b>	<b>1,37,19,582</b>	<b>100.00%</b>

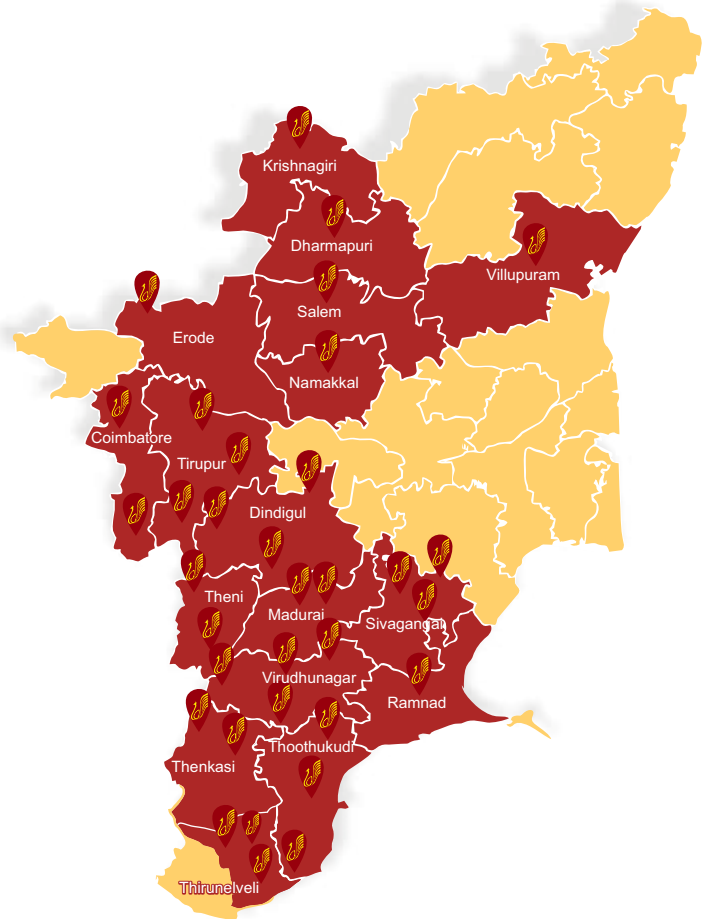
The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

**Manufacturing & Showroom Locations:**

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

**Branches**
**District Branches List**

<b>Madurai</b>	<b>Tuticorin</b>	<b>Exclusive Showroom for Silver</b>
Nethaji Road, Madurai	Tuticorin	Tiruppuvanam
Annanagar, Madurai	Kovilpatti	Usilampatti
<b>Virudhunagar</b>	Eral	Devakottai
Virudhunagar	<b>Coimbatore</b>	Sattur
Rajapalayam	Coimbatore	Ilyangudi
Sivakasi	Pollachi	Kilakkari
Aruppukottai	<b>Tirupur</b>	Vadipatti
<b>Dindigul</b>	Tirupur	Natham
Dindigul	Dharapuram	Bodi
Palani	Udumalpet	Manamadurai
Ottanchathiram	<b>Erode</b>	Periyakulam
Batalagundu	Gopichettipalayam	Vedachandur
<b>Theni</b>	<b>Salem</b>	Kayalpatinam
Theni	Salem	
Cumbum	<b>Namakkal</b>	
<b>Sivagangai</b>	Namakkal	
Sivagangai	<b>Dharmapuri</b>	
Karaikudi	Dharmapuri	
<b>Ramnad</b>	<b>Krishnagiri</b>	
Ramnad	Krishnagiri	
<b>Tirunelveli</b>	<b>Villupuram</b>	
Tirunelveli	Villupuram	
Tenkasi		
Valioor		
Sankarankoil		
Thisyanvilai		


**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.

(ii) For any query on annual report

(iii) For investors grievance & general correspondence

**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

**Shri. V. Vijayaraghavan**

Company Secretary  
Mobile :9894149200

companysecretary@thangamayil.com



## GENERAL SHAREHOLDER INFORMATION

### Request to Shareholders

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

### Demat of Shares:

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

### Registration of Electronic Clearing Service (ECS) Mandate:

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

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

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA), enabling electronic delivery of documents including the Annual Report / Notices etc. to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with M/s. SKDC Consultant at Coimbatore, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

### Consolidation of Multiple Folios:

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

### Registration of Nominations:

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

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

### Updating of address:

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

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

**SMS Alerts:**

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

**Timely encashment of dividends:**

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

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

**Annual general meeting:**

Date	Time	Venue
21st September 2020	11.30 AM	Through Video Conference @ Corporate Office No.25/6 Palami Center, New Natham Road Madurai - 14.

**Financial Year: 1st April 2020 to 31st March 2021**

Financial calendar (Tentative and subject to change)

Financial reporting for the quarter ending:	
30th June 2020	Before 10th August 2020
30th September 2020	Before 12th November 2020
31st December 2020	Before 14th February 2021
31st March 2020	between 6th May and 27th May 2021

**Date of Book Closure**

**15<sup>th</sup> September 2020 to 21<sup>st</sup> September 2020** (both days inclusive)

**Particulars of dividend payment:**

The Board of Directors at its meeting held on May 22, 2019 had declared a dividend of ₹5.00 per Equity shares of par value of ₹10 each and the same was paid during the year ended 31st March 31, 2020. The proposal was approved by shareholders at the Annual General Meeting held on August 1, 2019. This has resulted in a total outflow of ₹827 lakhs including corporate dividend tax of ₹141 lakhs.

The Board of Directors of the Company in their meeting held on 14th March, 2020, declared an interim dividend of ₹5 (i.e. 50%) per equity share of ₹10 each on the paid up equity share capital of the Company for the financial year ended 31 March 2020 amounting to ₹827 lakhs (including dividend distribution tax of ₹141 lakhs).

As a prudence financial policy the Board has not recommended any final dividend in the context of COVID pandemic uncertain condition and the interim dividend as aforesaid be considered as final dividend for the financial year ended 31 March 2020.

**Listing on Stock Exchanges:**

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

**Stock Code / Symbol:**

BSE Limited

 Code No. **533158**

National Stock Exchange of India Limited

 Code No. **THANGAMAYL**
**The particulars of payment of statutory auditors' fees, on consolidated basis are given below:**

Particulars	Amount in Lakhs
For Statutory Audit	12.00
For Tax Audit	5.00
For Limited Review	4.95
For Certification Work etc.,	2.00
<b>Total</b>	<b>23.95</b>

**OTHER DISCLOSURES:**

Particular	Regulations	Details	Website link for details / Policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	There are no material related party transactions during the year that have conflict with interest of the company. Transactions entered into with related party during the financial year were in the ordinary course of business and at arms' length basis and were approved by the audit committee. The Board's approved policy for related party transactions is uploaded in the website of the company.	<a href="https://www.thangamayil.com/blogg/wp-content/uploads/2019/06/Related-Party-transactions-policy.pdf">https://www.thangamayil.com/blogg/wp-content/uploads/2019/06/Related-Party-transactions-policy.pdf</a>
Details of non-compliance by the Company, penalty, strictures imposed on the company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (C) 10(b) to the SEBI Listing Regulations	Nil	-
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company	<a href="https://www.thangamayil.com/blogg/wp-content/uploads/2019/06/Whistle-Blower-Policy.pdf">https://www.thangamayil.com/blogg/wp-content/uploads/2019/06/Whistle-Blower-Policy.pdf</a>

Particular	Regulations	Details	Website link for details / Policy
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	<ul style="list-style-type: none"> <li>The auditors' report on financial statements of the Company are unqualified.</li> <li>Internal auditors of the Company, make quarterly presentations to the audit committee on their reports.</li> </ul>	-
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No.D&CC/FITT/Cir-16/2002 Dt. December 31, 2002.	Reconciliation of Share Capital Audit Report duly verified by our Statutory Auditor is being submitted to the Stock Exchanges on quarterly basis.	-
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a certificate by the Chairman and Managing Director of the Company.	<a href="https://www.thangamayil.com/bloggging/wp-content/uploads/2019/06/Code-of-conduct.pdf">https://www.thangamayil.com/bloggging/wp-content/uploads/2019/06/Code-of-conduct.pdf</a>
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	Regular Annual Dividend is being declared and recommended by the Board to the shareholders of the company on a regular basis.	-
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	<a href="https://www.thangamayil.com/bloggging/wp-content/uploads/2019/06/Code-for-independent-directors.pdf">https://www.thangamayil.com/bloggging/wp-content/uploads/2019/06/Code-for-independent-directors.pdf</a>
Familiarization Program	Regulations 25(7) and 46 of SEBI Listing Regulations	The Independent Directors are imparted familiarization program regarding the industry scenario, competition, business risk-vis-à-vis government regulation and other factor relating to growth and risk components are explained to them in detail.	<a href="https://www.thangamayil.com/corporate/investor-relationship/reports/">https://www.thangamayil.com/corporate/investor-relationship/reports/</a>

In the table below the specific areas of focus or expertise of individual Board members have been highlighted.

Key Board Qualifications								
Name of Director	Areas of expertise							
	Financial	Diversity	Global Business	Leadership	Technology	Mergers & Acquisitions	Board service & Governance	Sales & Marketing
Mr. Balarama Govinda Das (Chairman, Managing Director)	✓	✓	✓	✓	✓	-	✓	✓
Mr. Ba.Ramesh (Joint Managing Director)	✓	✓	✓	✓	✓	-	✓	✓
Mr. N. B. Kumar (Joint Managing Director)	✓	✓	✓	✓	✓	-	✓	✓
Mr. S. Rethinavelu (Independent Director)	✓	✓	✓	✓	-	✓	✓	✓
Mr. LaljiVora (Independent Director)	✓	✓	✓	✓	-	✓	✓	✓
Mr. V.R. Muthu (Independent Director)	✓	✓	✓	✓	-	✓	✓	✓
Mrs. Yamuna Vasini deva dasi (Non Independent Director)	✓	-	-	✓	-	-	-	-
Mr. V. Ramasamy (Independent Director)	✓	✓	✓	✓	-	✓	✓	-
Mr.S.M. Chandrasekaran (Independent Director)	✓	✓	✓	✓	-	✓	✓	-

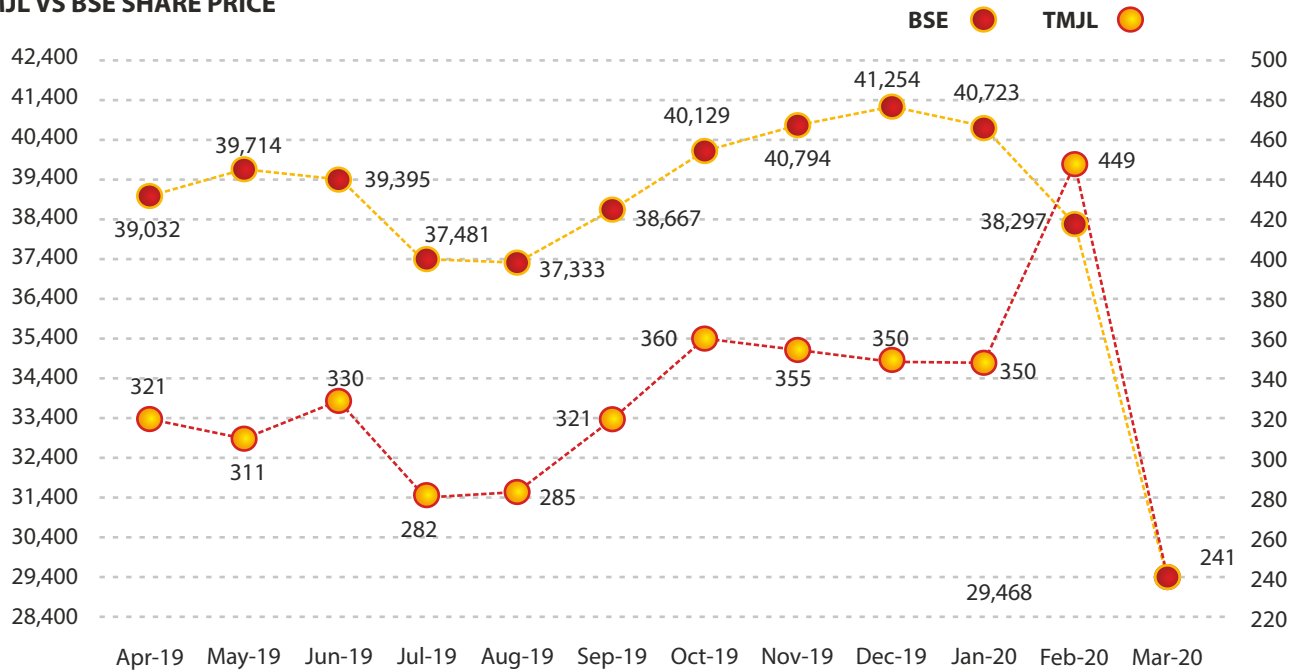
Transfer of unclaimed / unpaid dividend / shares to IEPF :

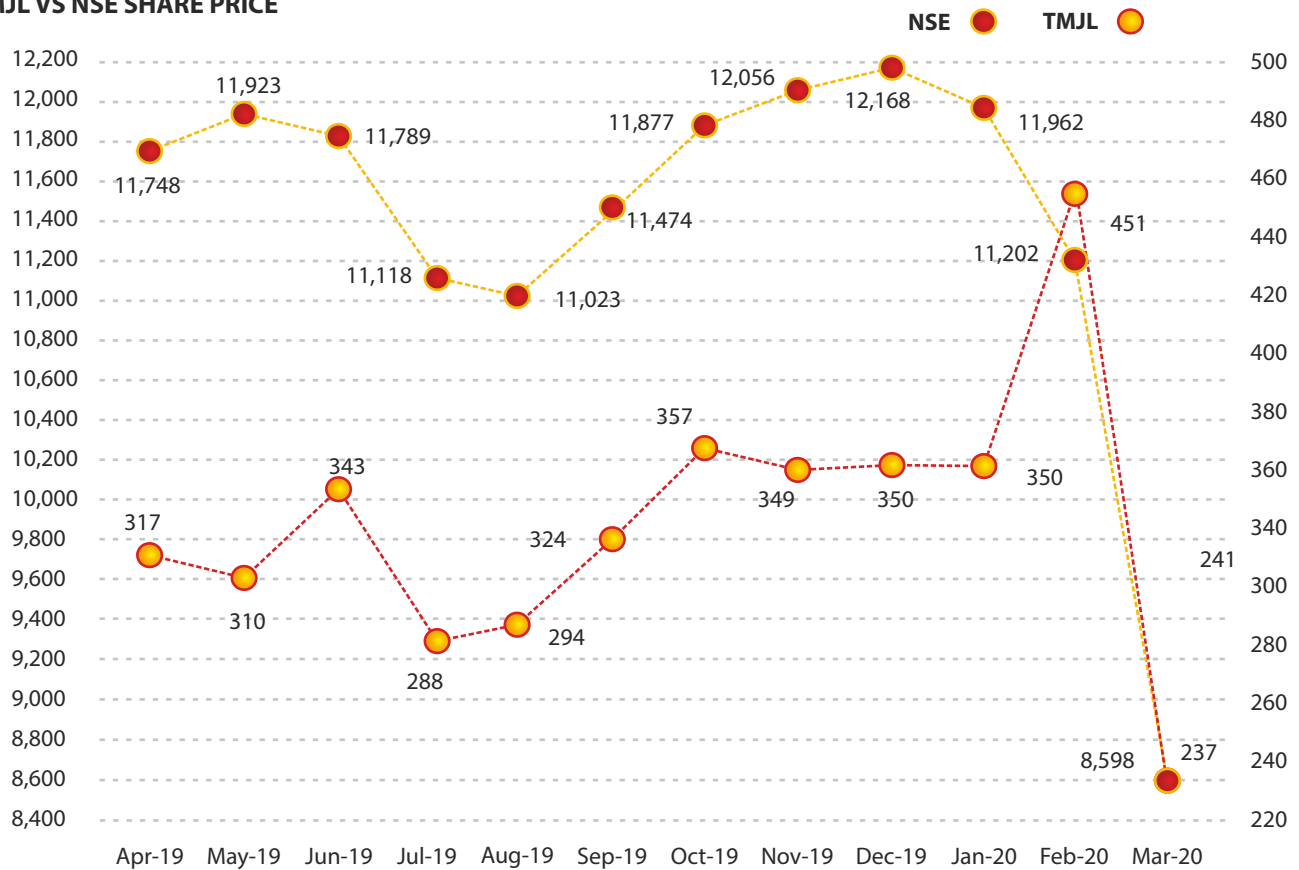
Financial Year	Amount of Unclaimed Dividend/Deposits Transferred Rs. in Lakhs	Number of Shares transferred
2010	0.48	-
2011	1.75	23
2012	1.47	24
<b>Total</b>	<b>3.70</b>	<b>47</b>

Details are displayed in the web-link <https://www.thangamayil.com/corporate/investor-relationship/iepf/> of the company. The shareholders may claim the same from IEFF authorities by filing form No. IEPF 5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in)

**Stock Market Data- High and Low Quotations of equity shares for 2019-2020**

Month	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-19	371	311	360	315
May-19	369	271	345	271
Jun-19	356	291	355	307
Jul-19	415	281	365	285
Aug-19	338	261	342	246
Sep-19	370	296	373	293
Oct-19	383	305	385	306
Nov-19	368	343	365	340
Dec-19	355	320	359	320
Jan-20	405	328	405	339
Feb-20	472	322	490	328
Mar-20	485	239	470	231

**TMJL VS BSE SHARE PRICE**


**TMJL VS NSE SHARE PRICE**

**Distribution of Share Holding as on 31st March, 2020**

S.No	Range of Shares (in ₹)	Number of share holders	No. of Shares Held	% to total Shares
1	2	3	4	5
1	1 to 5,000	3,616	288,505	2.10
2	5,001 to 10,000	259	193,948	1.41
3	10,001 to 20,000	241	353,509	2.58
4	20,001 to 30,000	78	189,422	1.38
5	30,001 to 40,000	36	124,944	0.91
6	40,001 to 50,000	33	151,794	1.11
7	50,001 to 100,000	58	409,791	2.99
8	100,001 and above	74	12,007,669	87.52
	<b>Total</b>	<b>4,395</b>	<b>13,719,582</b>	<b>100.00%</b>



**Pattern of Share holdings as on 31st March, 2020**

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 and Promoter Group					
(1)	Indian Promoters	92,52,809	92,52,809	67.44%	13,51,780	14.61%
(2)	Foreign Promoters	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>92,52,809</b>	<b>92,52,809</b>	<b>67.44%</b>	<b>13,51,780</b>	<b>14.61%</b>
(B)	Public shareholding					
(1)	Institutions					
(a)	Indian Institutions	8,18,092	8,18,092	5.96	Nil	Nil
(b)	Foreign Institutions	3,42,437	3,42,437	2.50	-	-
	<b>Sub-Total (B)(1)</b>	<b>11,60,529</b>	<b>11,60,529</b>	<b>8.46%</b>	<b>Nil</b>	<b>Nil</b>
(2)	Non-institutions					
(a)	Bodies Corporate	7,07,002	7,07,002	5.15%	N.A.	N.A.
(b)	Individual Share Holders	25,16,036	25,16,036	18.34%	N.A.	N.A.
(c)	Individual NRI / Foreign Nationals	83,206	83,206	0.61%	N.A.	N.A.
	<b>Sub-Total (B)(2)</b>	<b>33,06,244</b>	<b>33,06,244</b>	<b>24.10%</b>	<b>N.A.</b>	<b>N.A.</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>44,66,773</b>	<b>44,66,773</b>	<b>32.56%</b>	<b>N.A.</b>	<b>N.A.</b>
	<b>TOTAL (A)+(B)</b>	<b>1,37,19,582</b>	<b>1,37,19,582</b>	<b>100%</b>	<b>N.A</b>	<b>N.A</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil	Nil	Nil	Nil
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1,37,19,582</b>	<b>1,37,19,582</b>	<b>100%</b>	<b>13,51,780</b>	<b>9.85%</b>

**GENERAL BODY MEETINGS**

## Locations and time of General meetings

Date	Year	AGM	Time	Venue
26/07/2017	2016-17	17th	11.45 AM	Tamilnadu Chamber of Commerce & Industry, No.178B, Kamarajar Salai, Madurai – 625 009
01/08/2018	2017-18	18th	11.45 AM	Tamilnadu Chamber of Commerce & Industry, No.178B, Kamarajar Salai, Madurai – 625 009
01/08/2019	2018-19	19th	11.45 AM	Tamilnadu Chamber of Commerce & Industry, No.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
01st August 2019	1) Reappointment of Independent Directors of Mr. Rethinavelu, Mr. Laljivora, and Mr. V.R Muthu for the five consecutive years from 1st Aug 2019 to 21st July 2024.

## Top Ten Ordinary Shareholders of the Company as on 31st March, 2020

S.No	Name of the Shareholder	No of Shares held	% of holding
1	Ba.Ramesh	2,742,405	19.99%
2	Bala Rama Govinda Das	2,711,441	19.76%
3	N.B. Kumar	2,702,064	19.69%
4	SBI Magnum Balanced Fund	817,000	5.95%
5	Thangamayil Gold And Diamond Private Limited	701,669	5.11%
6	Balusamy Silvears Jewellery Private Limited	225,369	1.64%
7	Aadi Financial Advisors LLP	145,799	1.06%
8	Matthews Asia Small Companies Fund	132,005	0.96%
9	Lakshmanan Sivakumar	93,153	0.68%
10	Massachusetts Institute of Technology	92,450	0.67%

**COMPLIANCE WITH NON-MANDATORY DISCLOSURES**

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

**The Board:**

As the Company has the Executive Chairman, the implementation of this non-mandatory requirement does not arise.

The tenure has been fixed for five years for Independent Directors under the Companies Act, 2013.

**Remuneration Committee:**

Details are given under the heading 'Remuneration Committee'.

**Shareholder rights:**

The Quarterly results of the Company are published in its website [www.thangamayil.com](http://www.thangamayil.com). The results are not sent to the shareholders individually.

**Audit qualifications:**

The Company endeavours to present unqualified financial statements. There are no audit qualifications in the Company's financial statements for the year ended 31st March, 2020.

**Training of Board Members**

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

**Whistle Blower Policy**

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

**Corporate Social Responsibility Policy**

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

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

The Company recognizes that related party transactions can present potential or actual conflict of interest and may raise questions about whether such transactions are in the best interest of the company and the 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](http://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, 2020 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:

- ❖ We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be mis-leading;
  - 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.

- ❖ 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 violated to the Company's code of conduct.
- ❖ 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.
- ❖ We have indicated to the Auditors and the Audit Committee:
  - Significant changes in the internal controls over financial reporting during the year.
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, of any employee having a significant role in the company's internal control system of our financial reporting.

**For Thangamayil Jewellery Limited****BALARAMA GOVINDA DAS****Managing Director****Ba. RAMESH****N.B. KUMAR****Joint Managing Directors**

Place : Madurai

Date : June 29, 2020

**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 2020 as envisaged in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

Place: Madurai

Date: June 29, 2020

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

Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE IN THE LISTING AGREEMENT.****To****The Members of Thangamayil Jewellery Limited,****Madurai**

We have examined the compliance of conditions of Corporate Governance by Thangamayil Jewellery Limited, Madurai – 625 001 for the year ended 31st March 2020, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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

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

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

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

**For Srinivas & Padmanabhan****Chartered Accountants****Firm's Registration Number:004021S****K.M.Padmanabhan**

Partner

M.No:026594

Place : Chennai

Date : June 29, 2020

**INDEPENDENT AUDITOR'S REPORT****To The Members of M/s. Thangamayil Jewellery Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of M/s. Thangamayil Jewellery Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for opinion**

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 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS Financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial statements.

**Emphasis of Matter- Corona developments**

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Company is confronted with this uncertainty as well, which has been disclosed in the Note 46 to the Ind AS financial results, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**1. Revenue Recognition**

Revenue from sale of goods is recognized when control of the products being sold is transferred to the customer and when there are no other unfulfilled obligations. The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

**Auditor's Response****Principal Audit Procedures**

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- We assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. We read the contracts with customer to determine appropriateness of revenue recognition.
- Selected a sample of transactions, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- We evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions.
- We performed substantive testing by selecting samples of sales made at the retail outlets using statistical sampling and tested the underlying sales to collection reports and bank statements. For other sales (excluding retail sales), we performed substantive testing for the revenue transactions using statistical sampling and tested the underlying documentation supporting the sales.
- Samples in respect of revenue recorded for materials were tested using a combination of approved value of materials including customer acceptances and disputes.

- We reviewed the collation of information used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
- We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.

## 2. INVENTORIES

The Jewellery and other allied products stock held at various locations including manufacturing units, stores and third-party locations. The Company has a plan wherein inventory is verified on a periodic basis to ascertain the existence of inventory. Inventory valuation involves significant assumptions and estimations made by the Management. Management also makes an estimate for non-moving inventory based on the age of the inventory.

We have identified inventory as a key audit matter because of the number of locations that inventory is held at and the judgement applied in the valuation of inventory and provision for inventory.

### Auditor's Response

In view of the significance of the matter we applied the following audit procedures in this area, among other procedures, to obtain sufficient appropriate audit evidence.

- We assessed the appropriateness of the inventories accounting policies and its compliances with applicable accounting standards.
- We evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to physical verification of inventory, valuation of inventory and provision for inventory.
- We evaluated the design, implementation and operating effectiveness of management's general IT controls and key application controls over the Company's IT systems which govern inventories, including access controls, controls over program changes, interfaces between different systems.
- For locations selected using statistical sampling and performed surprise stock counts at select stores on a sample basis.
- For samples selected using statistical sampling, we have obtained confirmations of inventories held with third parties and respective stores.
- We tested, on a sample basis, the valuation of inventories as at the year end and the Management's assessment of provision required for obsolete and non moving inventories held as at the balance sheet date if any.
- We considered the adequacy and appropriateness of the disclosures in the financial statements, relating to the inventories.

## 3. EVALUATION OF UNCERTAIN TAX POSITIONS

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

### Auditor's Response

#### Principal Audit Procedures

Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputed taxes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

#### Information Other than the Ind AS Financial statements and Auditor's Report Thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS Financial statements and our auditor's report thereon.

Our opinion on the Ind AS Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Ind AS Financial statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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.

In preparing the Ind AS Financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Ind AS Financial statements:**

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the Ind AS Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit



evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Ind AS Financial statements, including the disclosures, and whether the Ind AS Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 relevant books of account.
  - d) In our opinion, the aforesaid Ind AS Financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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: Chennai

Date: June 29, 2020

#### **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)

l) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, and on the basis of our examination of the records of the company, the title 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. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management. 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),(b) and (c) of the Order are not applicable to the Company.

- 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 given and investment made. Further, there are no guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable.
- v) In our opinion, and according to the information and explanations given to us, the Company has complied with the applicable directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder with regard to deposits accepted from the public. Accordingly, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this matter and no order has been passed by any of the aforesaid authorities.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the products manufactured by the Company.
- 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, Goods and Service tax, duty of Customs, 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 2020 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 Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service tax, duty of Customs, Cess and other material statutory dues, which have not been deposited by the Company on account of disputes, except for the following:

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	5.67	2006-07 to 2007-08	Commissioner (Appeals) of Sales Tax
Tamil Nadu Value Added Tax 2006	Disallowance of Input tax, disputes related reversal of input tax	56.00	2011-12 to 2012-13	Deputy Commissioner (Appeals) of Sales Tax Madurai
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)
Income Tax Act, 1961	Disallowance of expenses	590.59	2016-2017	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 financial institutions and banks. The Company did not have any outstanding loans or borrowings from government and there are no dues to debenture holders during the year.
- ix) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- 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 given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

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: Chennai

Date: June 29, 2020

## **Annexure - B to the Independent 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")**

#### **OPINION**

We have audited the internal financial controls with reference to financial statements of Thangamayil Jewellery Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **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.

For **Srinivas&Padmanabhan**

Chartered Accountants,

F.Reg No:0040215

**K.M.Padmanabhan**

Partner

M.No:026594

Place: Chennai

Date: June 29, 2020

## BALANCE SHEET

(₹ in lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	7,012.44	6,948.71
(b) Capital work-in-progress	2.1	202.14	119.40
(c) Intangible assets	3	95.84	144.77
(d) Right-of - Use Assets	4	963.12	-
<b>(e) Financial assets</b>			
(i) Other financial assets	5	39.92	40.30
(f) Deferred Tax Assets (net)	17	39.05	-
(g) Other non-current assets	6	970.67	1,069.57
<b>Total Non-Current Assets</b>		<b>9,323.18</b>	<b>8,322.75</b>
<b>Current Assets</b>			
(a) Inventories	7	56,393.14	50,404.07
<b>(b) Financial assets</b>			
(i) Trade receivables	8	13.62	216.65
(ii) Cash and cash equivalents	9	198.81	894.32
(iii) Bank balances other than (ii) above	10	2,940.01	4,310.45
(iv) Other financial assets	11	48.83	34.27
(c) Current Tax Assets( net)	12	-	630.05
(d) Other current assets	13	2,611.90	435.84
<b>Total Current Assets</b>		<b>62,206.31</b>	<b>56,925.66</b>
<b>TOTAL ASSETS</b>		<b>71,529.49</b>	<b>65,248.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	1,371.96	1,371.96
(b) Other equity	15	20,642.92	17,946.74
<b>Total Equity</b>		<b>22,014.87</b>	<b>19,318.69</b>
<b>Non-Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Lease Liabilities	4	874.30	-
(ii) Borrowings	16	5,493.39	3,831.36
(b) Deferred Tax Liabilities (net)	17	-	106.61
<b>Total Non-Current Liabilities</b>		<b>6,367.69</b>	<b>3,937.98</b>
<b>Current Liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	18	18,077.45	11,568.06
(ii) Trade payables	19	3,702.78	7,465.54
(iii) Lease Liabilities	4	333.12	-
(iv) Other financial liabilities	20	1,458.58	2,580.40
(b) Other current liabilities	21	19,493.27	20,377.73
(c) Current Tax Liability ( net)	22	81.72	-
<b>Total Current Liabilities</b>		<b>43,146.93</b>	<b>41,991.74</b>
<b>TOTAL LIABILITIES</b>		<b>49,514.62</b>	<b>45,929.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,529.49</b>	<b>65,248.41</b>

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 Registration No: 0040215

For **Thangamayil Jewellery Limited**

Balarama Govinda Das- Managing Director  
DIN : 00266424  
Ba. Ramesh - Joint Managing Director  
DIN : 00266368  
N. B. Kumar - Joint Managing Director  
DIN : 01511576  
S. Rethinavelu - Independent Director  
DIN : 00935338  
Lalji Vora - Independent Director  
DIN : 01899070  
V. R. Muthu - Independent Director  
DIN : 01908841

V.Ramasamy - Independent Director  
DIN : 00039262  
S.M. Chandrasekaran - Independent Director  
DIN : 08719332  
Yamuna Vasini Deva Dasi - Director  
DIN : 01388187  
V. Vijayaraghavan - Company Secretary  
B. Rajeshkanna - Chief Financial Officer  
DIN : 01334048

Place: Madurai  
Date: June 29, 2020

**STATEMENT OF PROFIT AND LOSS ACCOUNT**

(₹ in lakhs)

Particulars	Notes	For the Year Ended	
		31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>I Revenue from Operations</b>	23	169,196.10	144,335.12
<b>II Other Income</b>	24	302.62	287.10
<b>III Total Income ( I+II)</b>		<b>169,498.72</b>	<b>144,622.22</b>
<b>IV Expenses:</b>			
Cost of materials consumed	25	147,733.75	128,717.22
Purchases of stock-in-trade	26	5,396.07	3,435.82
Changes in inventories of finished goods, work-in- progress and stock-in-trade	27	(4,989.46)	(3,126.35)
Manufacturing Expenses	28	1,549.52	1,261.03
Employee benefits expenses	29	4,224.16	3,538.30
Finance costs	30	2,115.19	2,033.67
Depreciation and amortization expenses	31	1,018.51	759.02
Other expenses	32	5,509.43	3,449.57
<b>Total Expenses</b>		<b>162,557.17</b>	<b>140,068.28</b>
<b>V Profit Before Tax ( III-IV)</b>		<b>6,941.55</b>	<b>4,553.94</b>
<b>VI Tax Expenses</b>	33		
- Current Tax		1,950.54	1,580.32
- Deferred Tax		425.43	(51.97)
<b>Total Tax Expenses</b>		<b>2,375.97</b>	<b>1,528.35</b>
<b>VII Profit for the Year ( V-VI)</b>		<b>4,565.59</b>	<b>3,025.59</b>
<b>VIII Other Comprehensive Income</b>			
<b>Other comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Re-measurements loss of the defined benefit plans		(49.34)	(0.95)
Deferred tax charges		12.42	0.32
Total other comprehensive income for the year, net of tax		<b>(36.92)</b>	<b>(0.63)</b>
<b>IX Total Comprehensive Income for the Year ( VII+VIII)</b>		<b>4,528.67</b>	<b>3,024.96</b>
<b>X Earnings per equity share of Re.10 each</b>			
Basic		33.01	22.05
Diluted		33.01	22.05
Summary of significant accounting policies	1		

The accompanying notes forms an integral part of the 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 Registration No: 0040215

For **Thangamayil Jewellery Limited**

Balarama Govinda Das- Managing Director DIN : 00266424  
Ba. Ramesh - Joint Managing Director DIN : 00266368  
N. B. Kumar - Joint Managing Director DIN : 01511576  
S. Rethinavelu - Independent Director DIN : 00935338  
Lalji Vora - Independent Director DIN : 01899070  
V. R. Muthu - Independent Director DIN : 01908841

V.Ramasamy - Independent Director DIN : 00039262  
S.M. Chandrasekaran - Independent Director DIN : 08719332  
Yamuna Vasini Deva Dasi - Director DIN : 01388187  
V. Vijayaraghavan - Company Secretary  
B. Rajeshkanna - Chief Financial Officer DIN : 01334048

Place: Madurai  
Date: June 29, 2020



**STATEMENT OF CHANGES IN EQUITY**
**(A) Equity Share Capital**

Particulars	Number of shares	(₹ in lakhs)
Balance as at 31st March 2018	1,37,19,582	1,371.96
Add: Equity shares allotted during the year	-	-
Balance as at 31st March 2019	1,37,19,582	1,371.96
Add: Equity shares allotted during the year	-	-
<b>Balance as at 31st March 2020</b>	<b>1,37,19,582</b>	<b>1,371.96</b>

**(B) Other Equity**

(₹ in lakhs)

Particulars	Reserve and Surplus				Total
	Securities premium Reserve	General Reserve	Retained earnings	Other Comprehensive Income	
<b>Closing balance as at 31st March, 2018</b>	<b>3,175.80</b>	<b>2,481.95</b>	<b>9,847.43</b>	<b>(4.50)</b>	<b>15,500.68</b>
Profit for the year	-	-	3,025.59	-	<b>3,025.59</b>
Other comprehensive income for the year, net of income tax	-	-	-	(0.63)	<b>(0.63)</b>
Dividend including dividend distribution tax	-	-	(578.91)	-	<b>(578.91)</b>
Transfer to General Reserve	-	325.00	(325.00)	-	-
<b>Closing balance as at 31st March, 2019</b>	<b>3,175.80</b>	<b>2,806.95</b>	<b>11,969.12</b>	<b>(5.13)</b>	<b>17,946.74</b>
<b>Open balance as at April 1, 2019</b>	<b>3,175.80</b>	<b>2,806.95</b>	<b>11,969.12</b>	<b>(5.13)</b>	<b>17,946.74</b>
Impact on account of adoption of Ind AS 116 net of tax (refer note no )	-	-	(178.49)	-	<b>(178.49)</b>
<b>Restated balance as at 1st April 2019</b>	<b>3,175.80</b>	<b>2,806.95</b>	<b>11,790.63</b>	<b>(5.13)</b>	<b>17,768.25</b>
Profit for the year	-	-	4,565.59	-	<b>4,565.59</b>
Other comprehensive income for the year, net of income tax	-	-	-	(36.92)	<b>(36.92)</b>
Dividend including dividend distribution tax	-	-	(1,654.00)	-	<b>(1,654.00)</b>
Transfer to General Reserve	-	460.00	(460.00)	-	-
<b>Closing balance as at 31st March, 2020</b>	<b>3,175.80</b>	<b>3,266.95</b>	<b>14,242.22</b>	<b>(42.05)</b>	<b>20,642.92</b>

The accompanying notes forms an integral part of the financial statements

 For **Srinivas & Padmanabhan**  
 Chartered Accountants  
 Firm's Registration No: 004021S

 For **Thangamayil Jewellery Limited**

 Balarama Govinda Das- Managing Director  
 Ba. Ramesh - Joint Managing Director  
 N. B. Kumar - Joint Managing Director  
 S. Rethinavelu - Independent Director  
 Lalji Vora - Independent Director  
 V. R. Muthu - Independent Director

 DIN : 00266424  
 DIN : 00266368  
 DIN : 01511576  
 DIN : 00935338  
 DIN : 01899070  
 DIN : 01908841

 V.Ramasamy - Independent Director  
 S.M. Chandrasekaran - Independent Director  
 Yamuna Vasini Deva Dasi - Director  
 V. Vijayaraghavan - Company Secretary  
 B. Rajeshkanna - Chief Financial Officer

 DIN : 00039262  
 DIN : 08719332  
 DIN : 01388187  
 DIN : 01334048

 Place: Madurai  
 Date: June 29, 2020



**STATEMENT OF CASH FLOW**

(₹ in lakhs)

Particulars	For the Year Ended	
	31st March 2020	31st March 2019
<b>Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>6,941.55</b>	<b>4,553.94</b>
<b>Adjustments for :</b>		
Depreciation and amortization expenses	1,018.51	759.02
Profit on sale of Property ,plant & equipment	(0.90)	(5.54)
Interest income	(281.57)	(261.83)
Interest expense	2,115.19	2,033.67
Impairment of assets	11.04	13.41
<b>Operating profit before working capital changes</b>	<b>9,803.82</b>	<b>7,092.68</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in inventories	(5,989.07)	(2,814.34)
(Increase) / Decrease in trade receivables	203.03	(86.55)
Decrease/ (Increase) in Other financials and non-financial assets	(2,140.68)	(213.88)
(Decrease)/ Increase in trade payable and other financial and non-financial liabilities	(5,769.03)	5,424.72
<b>Cash Generated from Operations</b>	<b>(3,891.93)</b>	<b>9,402.63</b>
Income taxes paid	(1,737.40)	(932.22)
<b>Net cash generated from operating activities (A)</b>	<b>(5,629.34)</b>	<b>8,470.41</b>
<b>Cash flow from investing activities</b>		
Payment for Property ,Plant & Equipment ,Intangible assets including capital Advances	(866.91)	(498.05)
Proceeds from sale of Property ,plant & equipment	8.09	25.20
Bank deposits not considered as cash and cash equivalents (net)	1,370.44	(1,490.51)
Interest received	281.57	261.83
<b>Net cash used in investing activities (B)</b>	<b>793.19</b>	<b>(1,701.53)</b>
<b>Cash flow from financing activities</b>		
Proceeds / (Repayment) of borrowings	6,484.21	(4,425.75)
Proceeds / (Repayment) of Other borrowing	1,687.20	796.08
Repayment of Lease liabilities	(388.54)	-
Interest paid	(1,988.24)	(2,033.67)
Dividend paid (including corporate dividend tax)	(1,654.00)	(578.91)
<b>Net cash used in financing activities (C)</b>	<b>4,140.63</b>	<b>(6,242.25)</b>
<b>Net increase in cash and cash equivalents(A+B+C)</b>	<b>(695.51)</b>	<b>526.63</b>
Cash and cash equivalents - opening balances	894.32	367.69
Cash and cash equivalents at the end of the year	<b>198.81</b>	<b>894.32</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	117.86	694.71
Balance with Banks - On Current Account	80.95	199.62
<b>Total cash and cash equivalents</b>	<b>198.81</b>	<b>894.32</b>

**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 financial statements

For **Srinivas & Padmanabhan**  
Chartered Accountants  
Firm's Registration No: 004021S

For **Thangamayil Jewellery Limited**

Balarama Govinda Das- Managing Director DIN : 00266424  
Ba. Ramesh - Joint Managing Director DIN : 00266368  
N. B. Kumar - Joint Managing Director DIN : 01511576  
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Lalji Vora - Independent Director DIN : 01899070  
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V.Ramasamy - Independent Director DIN : 00039262  
S.M. Chandrasekaran - Independent Director DIN : 08719332  
Yamuna Vasini Deva Dasi - Director DIN : 01388187  
V. Vijayaraghavan - Company Secretary  
B. Rajeshkanna - Chief Financial Officer DIN : 01334048

Place: Madurai  
Date: June 29, 2020

## BACKGROUND

Thangamayil Jewellery Limited (the 'Company') is a Company domiciled in India, with its registered office situated No.124, Nethaji Road, Madurai – 625 001, Tamilnadu, India. The Company has been incorporated under the provisions of the Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and BSE Limited in India. The Company is primarily involved in manufacturing and sale of Jewellery and other accessories and products.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

#### (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.

#### (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 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 confirmed 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**

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 capitalized 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 capitalized 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.	<b>Straight Line basis</b>	
	↳ Building	60 Years
	↳ Plant & Machinery	15 Years
	↳ Furniture and Fittings	10 Years
	↳ Office Equipment	15 Years
ii.	<b>Written Down Value basis</b>	
	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 recognized 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**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and use full life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

***The Company as a lessor***

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

### **Transition**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

This has resulted in recognizing a "Right of use asset" of Rs.818.73 lakhs and a corresponding "Lease liability" of Rs.1057.25 lakhs by adjusting retained earnings net of taxes of Rs.178.49 lakhs (including impact of "Deferred tax asset created of Rs.60.04 lakhs) as at 1st April, 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 963.12 lakhs and lease liabilities of Rs. 1201.64 lakhs as on March 31, 2020. Other expenses are lower by Rs.388.54 lakhs, Depreciation is higher by Rs.267.37 lakhs and finance cost is higher by Rs.126.95 lakhs during the year ended March 31, 2020, due to implementation of Ind AS 116. Net effect of this adoption is insignificant on the profit for the period and earnings per share.

### **(xii) Intangible Fixed Assets**

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use. 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 unavailed 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 realization.

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 in 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 if any is adjusted to the notional purchase account and the value as on that date is adjusted as cost for inventory valuation consideration.

#### **(xvii) Hedging**

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 resultant gain or loss as on reporting date is taken to the profit and loss under the head of **other income / other expenses** appropriately. This treatment is consistency followed as the corresponding value of physical inventory quantity is adopted in the books of accounts as per the generally accepted and adopted valuation. The carried over closing stock as when sold physically in the market will reflect the actual realization on such sales. Similarly, the hedging position loss or profit as the case may be will be reflected on at the time of closure corresponding to actual realization as and when made in the hedging position.

#### **(xix) 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 recognized 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized.

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 utilized.

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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**(xx) 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.

**(xxi) 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.

**(xxii) 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 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 lifetime 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 re-measurement 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.



(₹ in lakhs)

**Note 2 - Property, Plant and equipment**

Particulars	Freehold land	Leasehold land	Buildings (Owned)	Buildings (On leasehold)	Plant & equipment (Owned)	Furniture and fixtures	Vehicles	Computer Hardware	Tangibles Total
<b>At 31 March 2018</b>	2,609.54	-	1,290.33	108.19	1,483.44	4,074.72	451.78	1,276.56	11,294.56
Additions	-	-	17.17	2.08	137.61	185.06	26.42	90.86	459.20
Deductions	-	-	-	-	-	36.21	145.06	-	181.26
Other adjustments	-	-	-	-	-	-	-	-	-
<b>At 31 March 2019</b>	<b>2,609.54</b>	-	<b>1,307.50</b>	<b>110.27</b>	<b>1,621.05</b>	<b>4,223.57</b>	<b>333.15</b>	<b>1,367.42</b>	<b>11,572.50</b>
Additions	-	-	-	28.49	137.33	473.44	39.31	94.66	773.23
Deductions	-	-	-	-	-	39.54	21.37	-	60.90
Other adjustments	-	-	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>2,609.54</b>	-	<b>1,307.50</b>	<b>138.76</b>	<b>1,758.38</b>	<b>4,657.47</b>	<b>351.09</b>	<b>1,462.08</b>	<b>12,284.82</b>
<b>Accumulated depreciation and impairment</b>									
<b>At 31 March 2018</b>	-	-	140.37	24.15	507.56	1,993.69	260.04	1,180.18	4,105.99
Depreciation expense	-	-	20.60	1.45	111.68	401.18	56.57	74.52	665.99
Deductions	-	-	-	-	-	22.80	125.39	-	148.19
Other adjustments	-	-	-	-	-	-	-	-	-
<b>At 31 March 2019</b>	-	-	160.96	25.60	619.24	2,372.07	191.22	1,254.70	4,623.79
Depreciation expense	-	-	20.85	1.71	109.97	421.90	44.57	92.27	691.26
Deductions	-	-	-	-	-	28.49	14.18	-	42.67
Other adjustments	-	-	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	-	-	<b>181.81</b>	<b>27.30</b>	<b>729.21</b>	<b>2,765.48</b>	<b>221.61</b>	<b>1,346.97</b>	<b>5,272.38</b>
<b>Carrying Value</b>									
<b>At 31 March 2020</b>	<b>2,609.54</b>	-	<b>1,125.69</b>	<b>111.46</b>	<b>1,029.18</b>	<b>1,891.99</b>	<b>129.48</b>	<b>115.11</b>	<b>7,012.44</b>
<b>At 31 March 2019</b>	2,609.54	-	1,146.54	84.68	1,001.81	1,851.50	141.93	112.72	6,948.71
<b>At 31 March 2018</b>	2,609.54	-	1,149.96	84.04	975.88	2,081.03	191.74	96.38	7,188.56

**2.1 Capital Work - in Progress Particulars**

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	119.40	86.90	73.37
Additions during the year (Net)	82.74	32.50	13.53
Transfer to property, plant and Equipment	-	-	-
<b>Balance at the end of the year</b>	<b>202.14</b>	<b>119.40</b>	<b>86.90</b>

(i) Capital Work in Progress: Capital work in Progress mainly comprising of interiors, building, and other assets still to be put in use and yet to be capitalized.

(ii) Refer to Note : 18 for information on property, plant and equipment pledged as security of the company

**Note 3 - Intangible Assets**

(₹ in lakhs)

Intangibles	Computer software	Intangibles Total
<b>Cost /deemed Cost</b>		
<b>At 31st March 2018</b>	<b>1,086.10</b>	<b>1,086.10</b>
Additions	6.34	6.34
Deductions	-	-
<b>At 31st March 2019</b>	<b>1,092.45</b>	<b>1,092.45</b>
Additions	10.94	10.94
Deductions	-	-
<b>At 31st March 2020</b>	<b>1,103.39</b>	<b>1,103.39</b>
<b>Accumulated amortization and impairment</b>		
<b>At 31st March 2018</b>	<b>854.64</b>	<b>854.64</b>
Additions	93.03	93.03
Deductions	-	-
<b>At 31st March 2019</b>	<b>947.68</b>	<b>947.68</b>
Additions	59.87	59.87
Deductions	-	-
<b>At 31st March 2020</b>	<b>1,007.55</b>	<b>1,007.55</b>
<b>Net book value</b>		
<b>At 31st March 2020</b>	<b>95.84</b>	<b>95.84</b>
<b>At 31st March 2019</b>	144.77	144.77
<b>At 31st March 2018</b>	231.46	231.46

**Note 4 - Right - of - Use Assets**

(₹ in lakhs)

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset of ₹818.73 lakhs and a lease liability of ₹1,057.25 lakhs. The cumulative effect of applying the standard, amounting to ₹ 178.49 lakhs was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. IndAS116 will result in an increase in cash inflows from operating activities and an increase in cash out flows from financing activities on account of lease payments.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of Rs. 963.12 lakhs and lease liabilities of Rs. 1201.64 lakhs as on March 31, 2020. Other expenses are lower by Rs.388.54 lakhs, Depreciation is higher by Rs.267.37 lakhs and finance cost is higher by Rs.126.95 lakhs during the year ended March 31, 2020, due to implementation of Ind AS 116. Net effect of this adoption is insignificant on the profit for the year and earnings per share.

**The following is the summary of practical expedients elected on initial application:**

Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note of annual financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

**Following are the changes in the carrying value of right of use assets for the year ended**

(₹ in lakhs)

Particulars	Opening Balance April 1, 2019	Net Carrying amount as at March 31, 2020
<b>Buildings</b>	<b>818.73</b>	<b>963.12</b>

**The following is the movement in ROU Assets during the year ended March 31, 2020:**

<b>Balance at the beginning</b>	818.73
Additions	411.77
Depreciation	267.37
<b>Balance at the year end</b>	<b>963.12</b>

**The Following is the breakup of current and non - current lease liabilities as at March 31, 2020**

(₹ in lakhs)

Particulars	As at March 31, 2020
Current lease liabilities	333.12
Non-current lease liabilities	874.30
<b>Total</b>	<b>1,207.42</b>

**The following is the movement in lease liabilities during the year ended March 31, 2020:**

(₹ in lakhs)

Particulars	As at March 31, 2020
<b>Balance at the beginning</b>	1,057.25
Additions	411.77
Finance cost accrued during the period	126.95
Deletions	-
Payment of lease liabilities	388.54
<b>Balance at the year end</b>	<b>1,207.42</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2020
Less than one year	333.12
One to five years	1,008.18
More than five years	330.43
	<b>1,671.73</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 26.36 lakhs for the year ended March 31, 2020.

Interest on lease liabilities is Rs. 126.95 lakhs for the year ended March 31, 2020

### Impact of COVID 19

The company does not foresee any large - scale contraction in demand which could result in significant down sizing of its employee base rendering the physical infrastructure redundant. The lease that the company has entered with lessors towards properties used as show rooms/ manufacturing unit/ offices are long term nature and no changes in terms of those leases are expected due to the COVID-19

## NOTES TO THE FINANCIAL STATEMENTS

### Note 5 - Other Financial Assets (Non - Current)

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deposits with Government / Statutory bodies	39.92	40.30
<b>Total</b>	<b>39.92</b>	<b>40.30</b>

### Note 6 - Other Non - Current Assets

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unsecured</b>		
<b>Capital Advances</b>		
Unsecured , Considered good	181.86	357.02
<b>Advance recoverable in cash or kind</b>		
Unsecured , considered good	36.19	37.67
Rental Advances - Unsecured , Considered Good	752.62	674.89
<b>Total</b>	<b>970.67</b>	<b>1,069.57</b>

Capital advances includes a sum of ₹24.58 lakhs due from a party and secured by immovable property valued around ₹60.00 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**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Raw Materials	2,085.44	1,009.94
Work-in-Progress	5,891.59	6,636.90
Finished Goods	48,396.16	42,661.39
Packing Materials and Gift items	19.95	95.84
<b>Total</b>	<b>56,393.14</b>	<b>50,404.07</b>

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.

**Financial Assets**
**Note 8 - Trade receivables**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good	13.62	216.65
<b>Total</b>	<b>13.62</b>	<b>216.65</b>

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. There are no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**Note 9 - Cash and cash equivalents**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Balances with banks</b>		
In current accounts	73.37	181.06
<b>In term deposit accounts with maturity less than 3 months at inception</b>		
Cheques on hand	7.58	18.56
Cash on hand	117.86	694.71
<b>Total</b>	<b>198.81</b>	<b>894.32</b>

**Note 10 - Bank Balance other than cash and cash equivalents**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Earmarked balances</b>		
In Dividend Accounts	19.92	7.54
In term deposit accounts		
with maturity more than 3 months but less than 12 months at inception	1,224.89	1,049.55
Fixed Deposit / Margin Money Deposit under Lien*	1,695.20	3,253.36
<b>Total</b>	<b>2,940.01</b>	<b>4,310.45</b>

\*Margin money deposits given as security against SBLC/ Bank Guarantees

**Note 11 - Other Financial Assets (Current)**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured - Advances to Employees	48.83	34.27
<b>Total</b>	<b>48.83</b>	<b>34.27</b>

**Note 12 - Current Tax Assets ( Net)**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Advance Payment of Income Tax ( Net of Provisions)	-	630.05
<b>Total</b>	<b>-</b>	<b>630.05</b>

**Note 13 - Other Current Assets**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Advance Recoverable in Cash or kind	2.51	0.51
Unsecured, considered good		
Advance to Suppliers/ Expenses @	2,557.47	346.24
Prepaid Expenses	51.92	89.09
<b>Total</b>	<b>2,611.90</b>	<b>435.84</b>

@ Advance to Suppliers/ Expenses includes Rs.1693.97 lakhs paid as margin money for hedging purpose.

**Note 14 - Equity share capital**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Authorised Share Capital:</b>		
200 lakhs (March 31, 2019 : 200 lakhs) Equity Shares of ₹ 10 each	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Issued, subscribed and fully paid up shares</b>		
137.20 lakhs Equity shares (March 31, 2019 : 137.20 lakhs) of ₹10 each, fully paid.	1,371.96	1,371.96
<b>Total Issued, subscribed and fully paid up Share Capital</b>	<b>1,371.96</b>	<b>1,371.96</b>

**a) Reconciliation of Number of Shares outstanding and amount at the beginning and at the end of the year**

Particulars	Numbers
Number of shares at the beginning of the year as at March 31, 2019 (₹1,371.96 lakhs)	13,719,582
<b>As at March 31, 2020 (₹ 1,371.96 lakhs )</b>	<b>13,719,582</b>

**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) Information regarding aggregate number of equity shares during the five years immediately preceding the date of Balance Sheet.**

The Company has not issued for consideration other than cash and has not bought back any shares during the past five years.

The Company has not allotted any shares pursuant to contract without payment being received in cash.

There are no calls unpaid on equity shares and no equity shares have been forfeited.

**d) Capital Management**

The primary objective of the Company's Capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholders value. The Company makes adjustments to its capital structure based on the business environments and its economic conditions. To maintain/adjust the capital structure the company may make adjustments to dividend paid to its share holders and issue new shares.

The Company monitors capital using the metric of net debt to Equity. Net debt is defined as borrowing less cash and cash equivalents, fixed deposits.

## e) Details of shareholders holding more than 5% equity shares in the company

Particulars	As at 31 March 2020	
	No. of shares	% of shares
Equity shares of Rs. 10 each fully paid		
Ba. Ramesh	2,742,405	19.99%
Balarama Govinda Das	2,711,441	19.76%
N.B. Kumar	2,702,064	19.69%
SBI Mutual Fund Group	817,000	5.95%
Thangamayil Gold and Diamond Pvt Ltd.	701,669	5.11%

Particulars	As at 31 March 2019	
	No. of shares	% of shares
Equity shares of Rs. 10 each fully paid		
Ba. Ramesh	2,704,196	19.71%
Balarama Govinda Das	2,679,439	19.53%
N.B. Kumar	2,663,546	19.41%
SBI Mutual Fund Group	817,000	5.95%
Thangamayil Gold and Diamond Pvt Ltd.	701,671	5.11%

**Note 15 - Other Equity**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Securities Premium Reserve</b>	3,175.80	3,175.80
Balance at the beginning of the year	<b>3,175.80</b>	<b>3,175.80</b>
<b>General Reserve</b>		
Balance at the beginning of the year	2,806.95	2,481.95
Add: Transfer from surplus	460.00	325.00
Balance at the end of the year	<b>3,266.95</b>	<b>2,806.95</b>
<b>Retained earnings</b>		
Balance at the end of the year	14,242.22	11,969.12
<b>Other Reserve</b>		
<b>Other comprehensive income :</b>		
Re-measurement of the net defined benefit plans	(42.05)	(5.13)
<b>Total</b>	<b>20,642.92</b>	<b>17,946.74</b>



### 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 22, 2019 had declared a dividend of ₹5.00 per Equity shares of par value of ₹10 each and the same was paid during the year ended 31st March 31, 2020. The proposal was approved by shareholders at the Annual General Meeting held on August 1, 2019. This has resulted in a total outflow of ₹827 lakhs including corporate dividend tax of ₹141 lakhs.

The Board of Directors of the Company in their meeting held on 14th March 2020, declared an interim dividend of ₹5 (i.e. 50%) per equity share of ₹10 each on the paid up equity share capital of the Company for the financial year ended 31 March 2020 amounting to ₹827 lakhs (including dividend distribution tax of ₹141 lakhs). As a prudence financial policy the Board has not recommended any final dividend in the context of COVID pandemic uncertain condition and the interim dividend as aforesaid be considered as final dividend for the financial year ended 31 March 2020.

### Non Current Finance Liabilities

#### Note 16 - Long term Borrowings

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured</b>		
Hire Purchase Vehicle Loan	21.42	46.59
<b>Unsecured</b>		
Fixed Deposit from Public	4,231.97	2,544.77
Loans from Directors and Others	1,240.00	1,240.00
<b>Total</b>	<b>5,493.39</b>	<b>3,831.36</b>

Vehicle Loan is secured by the respective vehicles

₹2,991.08 lakhs (₹534.55 lakhs) Fixed Deposit carry interest @9.50% and are repayable 2 years from the respective years.

₹1,240.89 lakhs (₹ 2010.22 lakhs) Fixed Deposit carry interest @10.00% and are repayable 3 years from the respective years.

**Note 17 - Deferred Tax Liabilities / (Assets)**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax Assets</b>		
Disallowance under Section 43B of Income Tax Act, 1961	31.38	28.56
Lease Liabilities- Impact on Account on Ind AS 116	61.49	-
	<b>92.87</b>	<b>28.56</b>
<b>Deferred Tax Liabilities</b>		
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.	53.82	135.17
<b>Deferred Tax Liabilities/ (Assets)</b>	<b>(39.05)</b>	<b>106.61</b>
<b>Opening balance Deferred tax liabilities</b>	106.61	158.90
Add:MAT Credit entitlement	(498.64)	-
Add/Less: Lease Liabilities-Impact on Account on Ind AS116	(60.04)	-
Add/Less: Tax Income during the year recognised in profit and Loss	425.43	(51.97)
Add: Tax Income during the year recognised in Other comprehensive Income	(12.42)	(0.32)
<b>Closing balance Deferred Tax Liabilities/ (Assets)</b>	<b>(39.05)</b>	<b>106.61</b>

**Current Financial Liabilities**
**Note 18 - Short term Borrowings**

(₹ in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
- Cash Credit loan from Banks	10,279.26	3,702.58
- Gold Metal loan from Banks	7,298.50	5,592.53
- Gold Metal loan from Banks against FDs	499.68	2,272.96
<b>Total</b>	<b>18,077.45</b>	<b>11,568.06</b>

**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, Vandiyur at Madurai and in the case of Axis Bank property at Bazaar Street, Salem and in the case of Yes Bank property at Alwarpurm 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.

5.90% (5,46,220 shares) promoters share holding in the company has been pledged as collateral security for IDBI loan.

3.24 % (3,00,000 shares) promoters share holding in the company has been pledged as collateral security for Yes bank loan.

5.46 % (5,05,560 shares) promoters share holding in the company has been pledged as collateral security for Federal Bank loan.

Gold Metal loan from Banks against Fixed deposit of the respective bank.

All the above mentioned collateral securities owned by the company and by the respective whole time directors are given to the respective banks as indicated above are given on exclusive basis and not on a pari passu charge basis and also is in accordance with sanction terms and conditions of the respective banks.

All the above loans are further secured by personal guarantee of whole time of directors of the company.

The cash credit is repayable on demand and carries interest of 8.75% to 11.65% p.a.

The Gold Metal Loan carries interest @ 1.90% to 3.50% p.a.

#### Note 19- Trade Payables

Particulars	(₹ in lakhs)	
	As at 31st March 2020	As at 31st March 2019
For Goods - Secured	2,577.24	6,588.00
Unsecured	1,125.55	877.54
<b>Total</b>	<b>3,702.78</b>	<b>7,465.54</b>

Trade Payables includes a sum of ₹2,577.24 lakhs (Previous year ₹6,588 lakhs) as Gold Metal loan availed from HDFC Bank Federal Bank, against SBLC guarantee extended by KarurVysya Bank, and Axis Bank for whom tangible securities were extended as covered under Note.18

#### Note 20 - Other Financial Liabilities

Particulars	(₹ in lakhs)	
	As at 31st March 2020	As at 31st March 2019
Current maturities of long-term borrowing	215.90	94.71
Current maturities of Hire purchase loan	42.04	42.23
Fixed Deposits from Public	983.93	2,235.00
Interest accrued but not due on Fixed Deposits	216.72	208.45
<b>Total</b>	<b>1,458.58</b>	<b>2,580.40</b>

Fixed Deposits from public are repayable within 12 Months from the reporting date.

#### Note 21 - Other Current Liabilities

Particulars	(₹ in lakhs)	
	As at 31st March 2020	As at 31st March 2019
Provision for Gratuity	73.16	12.88
Advances from Customers	18,772.89	19,938.24
Liabilities for Expenses	627.30	419.07
Unclaimed Dividends	19.92	7.54
<b>Total</b>	<b>19,493.27</b>	<b>20,377.73</b>

Advances from customers includes an amounts of ₹18,697.29 lakhs (As on 31st March 2019 ₹19,876.73 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.

#### Note 22 - Current Tax Liabilities

Particulars	(₹ in lakhs)	
	As at 31st March 2020	As at 31st March 2019
Provision for Income tax ( Net of advances)	81.72	-
<b>Total</b>	<b>81.72</b>	<b>-</b>

(₹ in lakhs)

Particulars	For the Year Ended	
	31st March 2020	31st March 2019
<b>Note 23 - Revenue from Operations</b>		
<b>Sale of Products - Gold, Silver, Diamond and Platinum</b>		
Finished Goods	162,143.01	140,113.84
Traded Goods	7,053.09	4,221.28
<b>Total</b>	<b>169,196.10</b>	<b>144,335.12</b>
<b>Note 24 - Other Income</b>		
Interest Income (TDS ₹28.09 lakhs (P.Y ₹25.98 lakhs)	281.57	261.83
Other Operating Income	21.04	25.27
<b>Total</b>	<b>302.62</b>	<b>287.10</b>
<b>Note 25- Cost of raw materials consumed</b>		
Opening Stock	1,009.94	1,293.16
Add : Purchases	148,809.25	128,434.00
	149,819.19	129,727.16
Less: Closing Stock	2,085.44	1,009.94
<b>Total</b>	<b>147,733.75</b>	<b>128,717.22</b>
<b>Note 26 - Purchase of Stock-in- trade</b>		
Traded goods	5,396.07	3,435.82
<b>Total</b>	<b>5,396.07</b>	<b>3,435.82</b>
<b>Note 27 - Changes in Inventories of finished goods, work in progress and stock in trade</b>		
<b>Closing Stock</b>		
Work in Progress	5,891.59	6,636.90
Finished Goods	48,396.16	42,661.39
<b>Total</b>	<b>54,287.75</b>	<b>49,298.29</b>
<b>Opening Stock</b>		
Work in Progress	6,636.90	5,862.36
Finished Goods	42,661.39	40,309.58
<b>Total</b>	<b>49,298.29</b>	<b>46,171.94</b>
Increase /Decrease in Work in Progress and Finished Goods and stock in trade	<b>(4,989.46)</b>	<b>(3,126.35)</b>
<b>Note 28 - Manufacturing expenses</b>		
Making Charges	1,499.43	1,214.46
Stores and consumable	20.88	21.84
Manufacturing Wages	29.22	24.72
<b>Total</b>	<b>1,549.52</b>	<b>1,261.03</b>

(₹ in lakhs)

Particulars	For the Year Ended	
	31st March 2020	31st March 2019
<b>Note 29 - Employee benefits expense</b>		
Salaries and Bonus	3,327.66	2,874.71
Contribution to PF and Other Funds	294.46	234.08
Staff Welfare Expenses	386.04	213.51
Director's Remuneration	216.00	216.00
<b>Total</b>	<b>4,224.16</b>	<b>3,538.30</b>
<b>Note 30 - Finance costs</b>		
Interest on		
- Working Capital Loan	541.99	571.73
- Term Loan and Others	162.61	233.24
- Gold Metal Loan	372.32	355.50
- Fixed Deposits	511.95	512.50
- Lease liabilities	126.95	-
Bank Charges and Commission	399.37	360.71
<b>Total</b>	<b>2,115.19</b>	<b>2,033.67</b>
<b>Note 31- Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (Refer note 2)	691.26	665.99
Amortization of intangible assets (Refer note 3)	59.87	93.03
Depreciation of ROU Assets - (Refer note 4)	267.37	-
<b>Total</b>	<b>1,018.51</b>	<b>759.02</b>
<b>Note 32 - Other expenses</b>		
Rent	26.36	387.00
Rates & Taxes	78.41	23.69
Insurance	75.69	67.23
Power and Fuel	415.04	376.73
Hedging expenses #	1,887.13	-
Postage and Telephone charges	202.95	112.30
Advertisement and Publicity Expenses	864.67	963.76
Selling Promotional Expenses	736.56	540.30
Travelling Expenses	167.04	166.35
Director's Sitting Fees	1.10	1.05
Professional Charges	360.01	243.27
Printing and Stationery	63.08	53.18
Payment to Auditors (Note No 32 A)	23.95	23.95
Repairs & Maintenance		
- for Building	30.48	41.49
- for Vehicles and others	231.81	194.87

Particulars	For the Year Ended	
	31st March 2020	31st March 2019
Security Charges	147.13	125.35
Impairment of Assets	11.04	13.41
Corporate Social Responsibility expenses (Note 32 B)	67.24	0.90
Donation and Others	28.87	14.38
Other Expenses	90.86	100.36
<b>Total</b>	<b>5,509.43</b>	<b>3,449.57</b>

Note # : Hedging expenses represents Mark to Market (MTM ) difference for gold price hedging mechanism outstanding as on March 31,2020 as losses in accordance with generally applied the treatment for Hedging Accounting.

Particulars	For the Year Ended	
	31st March 2020	31st March 2019
<b>Note 32 A - Auditors remuneration</b>		
For Statutory Audit	12.00	12.00
For Tax Audit	5.00	5.00
For Limited Review	4.95	4.95
For Certification Work etc.	2.00	2.00
<b>Total</b>	<b>23.95</b>	<b>23.95</b>
<b>Note 32 B -Details of CSR Expenditure</b>		
(a) Gross Amount required to be spent by the company	111.83	46.88
(b) Amount spent during the year ended	-	-
(i) Construction / acquisition of any assets	-	-
(ii) On Purposes other than (i) above	67.24	0.90
(c) Amount unspent during the year ended	44.59	45.98
<b>Note - 33 Taxes</b>		
<b>(a) Income Tax Expenses</b>		
<b>The major components of income tax expenses</b>		
Current tax		
Current tax expenses for current year	1,819.12	1,580.32
Current tax expenses/(benefits) pertaining to prior years	131.41	-
<b>Total</b>	<b>1,950.54</b>	<b>1,580.32</b>
<b>Deferred Tax</b>		
Deferred tax expenses for current year	425.43	(51.97)
Deferred tax expenses/(benefits) pertaining to prior years	-	-
<b>Total</b>	<b>425.43</b>	<b>(51.97)</b>
<b>Total income tax expenses recognized in Current year</b>	<b>2,375.97</b>	<b>1,528.35</b>
<b>Other Comprehensive Income</b>		
<b>Deferred Tax related to items recognized in OCI during the year</b>		
Net Loss/(gain)on reimbursements on defined benefits Plans	12.42	0.32
<b>Total</b>	<b>12.42</b>	<b>0.32</b>
<b>(b) Reconciliation of effective tax rate:</b>		
Profit Before Tax (A)	<b>6,941.55</b>	<b>4,553.94</b>
Enacted tax rate in India	25.170%	34.944%
<b>Expected tax expenses(C=A*B)</b>	<b>1,747.19</b>	<b>1,591.33</b>

(₹ in lakhs)

Particulars	For the Year Ended	
	31st March 2020	31st March 2019
Effect of :		
Effect of non-deductible expenses	32.51	-
Expenses disallowed under Income Tax Act, 1961	15.40	5.28
Tax pertaining to prior years	131.41	-
Effect due to MAT , Depreciation and Deduction	449.46	68.27
<b>Income tax expenses</b>	<b>2,375.97</b>	<b>1,528.35</b>

Note: The company elected to exercise the option permitted under section 115 BAA of the Income Tax Act 1961, as introduced by the Taxation Laws ( Amendment) Ordinance, 2019 . Accordingly the company has recognised provision for Income tax for the year ended and re measured its deferred tax basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of profit & loss accounts. As a consequence to that the available MAT credit entitlement of Rs.498 lakhs as per books is written off in the current year. To that effect, income tax provision is increased by Rs.498 lakhs for the year ended 31st March 2020.

### Note - 33 Taxes

**Significant components of net deferred tax liabilities and assets for the year ended March 31, 2020 are as follows:**

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Closing balance
Deferred tax liabilities / ( assets ) in relation to				
Property, plant and Equipment and intangible assets	135.17	(81.36)	-	53.82
Provision for employee benefits	(28.56)	9.60	(12.42)	(31.38)
Lease liabilities-Impact on Ind AS 116	(60.04)	(1.45)	-	(61.49)
Mat Credit Entitlement	(498.64)	498.64	-	-
<b>Total deferred tax liabilities / ( assets)</b>	<b>(452.06)</b>	<b>425.43</b>	<b>(12.42)</b>	<b>(39.05)</b>

**Gross deferred tax liabilities and Assets are as follows:**

As at March 31, 2020	Liabilities	Assets	Net
Gross deferred tax liabilities / (Assets) in relation to			
Property, plant and Equipment and intangible assets	289.10	235.28	53.82
Provision for employee benefits	-	31.38	(31.38)
Lease liabilities	-	61.49	(61.49)
Others	-	-	-
<b>Total deferred tax liabilities / ( assets)</b>	<b>289.10</b>	<b>328.15</b>	<b>(39.05)</b>

**Significant components of net deferred tax liabilities and assets for the year ended March 31, 2019 are as follows:**

	Opening balance	Recognised in profit and loss	Recognised in / reclassified from other comprehensive income	Closing balance
Deferred tax liabilities / ( assets ) in relation to				
Property, plant and Equipment and intangible assets	196.98	(61.81)	-	135.17
Provision for employee benefits	(38.09)	9.84	(0.32)	(28.56)
Lease liabilities	-	-	-	-
Others	-	-	-	-
<b>Total deferred tax liabilities / ( assets)</b>	<b>158.90</b>	<b>(50.97)</b>	<b>(0.32)</b>	<b>106.61</b>

**Gross deferred tax liabilities and Assets are as follows:**

As at March 31, 2019	Liabilities	Assets	Net
Gross deferred tax liabilities / (Assets) in relation to			
Property, plant and Equipment and intangible assets	408.80	273.63	135.17
Provision for employee benefits	-	28.56	(28.56)
Lease liabilities	-	-	-
Others	-	-	-
<b>Total deferred tax liabilities / ( assets)</b>	<b>408.80</b>	<b>302.19</b>	<b>106.61</b>

**34. Contingent Liabilities**
**(a) Capital commitments**

Description	2019-20	2018-19
Estimated value of Contract remaining to be executed on capital account net of advances not provided for.	100.00	50.00

(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 ₹2,577.24 Lakhs (previous year ₹6,588.00 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 2007-08 of ₹5.67 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. During the year Company has successfully got the Nil order from Chennai High Court, Madurai bench and Appellate Authorities against the commercial tax office Madurai for the demand amount of ₹44.29 lakhs for the year of 2009 and 2010.

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 passed order to nullifying demand amount of ₹436 lakhs as on 5th March 2020. The balance amount of ₹56 lakhs company has proposed appeal with Appellate Authorities at Madurai. Hence, the liability if any is considered as Contingent in nature.

f) The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain tax incentives or allowances. 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 Commissioner of Appeals against said order.

g) The Company has received demand notice from the income tax department amounting to ₹590.59 lakhs for the year 2016-17 related to dispute of wastage treatment in the books of accounts from the assessing officer, as per order under Section 143 (2) of the Income Tax Act, 1961. Company is in appeal before Commissioner of Appeals against said order. This dispute arises on account of wrongful understanding of the accounting of wastage in production by the assessing officer. Though the facts so obvious and consistently followed by the company and obtained orders in the earlier years as per same submissions made. 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.

### 35. Related Party Disclosures

In accordance with the requirements of Indian Accounting Standards (Ind AS) – 24 “**Related Party disclosures**” the names of related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

#### Directors / Key Management Personnel

##### a) Key Management Personnel (KMP)

Balarama Govinda Das – Managing Director

Ba. Ramesh – Joint Managing Director

N. B. Kumar – Joint Managing Director

##### b) Relatives of KMP

Yamuna Vasini Deva Dasi (wife of Managing Director)

B. Rajeshkanna, B. Prasannan, & N. B. Arun (Sons of Managing Director)

B. R. Sumati (wife of Ba. Ramesh, JMD), Y.Darmini (Daughter of Ba.Ramesh, JMD)

Late S.K.Yadeenthranathan (Son-in-Law of Ba. Ramesh – JMD)- expired in Mar' 19

R. Gokul (Son of Ba. Ramesh, JMD)

K. Thamaraiselvi (Wife of N. B. Kumar, JMD)

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 Silvears Jewellery Private Limited

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

**Transactions with Key management personnel**

(₹ in lakhs)

Description	2019-20	2018-19
<b>Remuneration</b>		
Balarama Govinda Das	72.00	72.00
Ba. Ramesh	72.00	72.00
N. B. Kumar	72.00	72.00
<b>Amounts payable at the year end</b>		
Balarama Govinda Das	290.40	264.56
Ba. Ramesh	479.20	473.58
N. B. Kumar	520.50	518.77
<b>Rent Paid</b>		
Balarama Govinda Das	0.60	0.60
Ba. Ramesh	0.60	0.60
N. B. Kumar	0.60	0.60
<b>Interest Paid/ Payable</b>		
Balarama Govinda Das	49.58	58.46
Ba. Ramesh	49.24	59.23
N. B. Kumar	51.32	59.82
<b>Dividend Paid</b>		
Balarama Govinda Das	270.49	93.76
Ba. Ramesh	273.28	94.61
N. B. Kumar	269.22	93.21
<b>Transactions with Relatives of KMP</b>		
<b>Salary Paid</b>		
B. Rajeshkanna	28.80	28.80
B. Prasannan	28.50	27.00
S.K.Yadeenthranathan	-	25.55
N.B. Arun	15.00	15.64
R.Gokul	18.00	18.00
<b>Dividend Paid</b>		
B. Rajeshkanna	2.15	0.75
B. Prasannan	2.15	0.75
K. Thamaraiselvi	2.25	0.79
Y.Darmini	4.09	0.78
Yamuna Vasini Deva Dasi	2.02	0.71
R. Gokul	1.33	0.47
N.B. Arun	2.23	0.78
<b>Enterprises over which KMP and their relatives have substantial interest</b>		
<b>Advance</b>		
Thangamayil Gold and Diamond Private Limited	127.50	59.50
Balusamy Silvears Jewellery Private Limited	38.30	18.30
<b>Dividend Paid</b>		
Thangamayil Gold and Diamond Private Limited	68.00	24.56
Balusamy Silvears Jewellery Private Limited	20.00	7.89
<b>Interest</b>		
Thangamayil Gold and Diamond Private Limited	4.58	2.87
Balusamy Silvears Jewellery Private Limited	1.63	1.11

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.

### 36. Earnings per Share

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

Particulars	2019-20	2018-19
Amount used as the numerator Total comprehensive income for the year, net of tax (A) (₹ in Lakhs)	4,528.67	3,024.96
Basic / Weighted average number of Equity Shares used as the denominator - (B)	13,719,582	13,719,582
Nominal value of Equity shares (₹)	10	10
Basic / Diluted Earnings per share - (A/B) (₹)	33.01	22.05

### 37. 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.

### 38. Employee Benefits

#### a) Defined Contribution Plan

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

(₹ in lakhs)

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	141.98	118.67
Employer's Contribution to Employees' State Insurance Scheme	72.62	81.99

#### 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	2019-20	2018-19
<b>Change in Obligation</b>		
1. Obligations at the beginning of the year	187.44	159.73
2. Add: Current Service Cost	40.47	30.31
3. Add: Interest Cost	14.06	12.12
4. Add: Actuarial (Gain)/Losses due to change in assumptions	49.34	0.95
5. Less: Benefits paid	26.36	15.66
6. Obligations at the end of the year	<b>264.95</b>	<b>187.44</b>

(₹ in lakhs)

Particulars	2019-20	2018-19
<b>Fair value of Plan Assets</b>		
1. Fair value of Plan assets at the beginning of the year	174.56	155.37
2. Add: Expected Return on Plan Assets	13.26	12.67
3. Add: Actuarial Gain/(Loss)	-	-
4. Add: Contribution	30.32	22.18
5. Less: Benefits paid	26.36	15.66
6. Fair value of Plan assets at the end of the year	<b>191.88</b>	<b>174.56</b>
<b>Actual Return on Plan Assets</b>		
1. Expected Return on Plan Assets	13.26	12.67
2. Actuarial Gain/(Loss) on Plan Asset	-	-
3. Actual Return on Plan Assets	<b>13.26</b>	<b>12.67</b>
<b>Amount Recognized in Balance Sheet</b>		
1. Present value of Obligation as at March 31	264.95	187.44
2. Less: Fair value of Plan Assets as at March 31	191.88	174.56
3. Net Liability/ (Asset) recognized in the Balance Sheet	<b>73.16</b>	<b>12.88</b>
<b>Expenses recognized in Profit and Loss</b>		
1. Current Service cost as per Valuation Report	40.47	30.31
2. Add: Interest cost	14.06	12.12
3. Less: Expected Return on Plan Assets	13.26	12.67
4. Less: Actuarial (Gain) / Loss	49.34	0.95
5. Expense recognized in Profit and Loss account	<b>90.60</b>	<b>30.70</b>
<b>Actuarial Assumptions</b>		
Discount Rate (Per Annum)	7.50%	8%
Expected Rate of Return on Plan Assets (per annum)	-	-
Salary Escalation (per annum)	5%	5%

- a. Provision for gratuity fund of ₹73.16lakhs (Previous year ₹12.88 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.

**39.** 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 ₹18,697.29 lakhs (Previous year ₹19,876.73 lakhs) is outstanding in such scheme as on 31st March 2020. The discount if any payable in future on redemption will be treated as reduction in sales realization.

**40.** 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 ₹11.04 lakhs (previous year ₹13.41 lakhs) for renovation of existing show rooms during the year.

#### 41. Quantitative Information

##### For the year ended 31st March 2020

Class of Goods	Unit	Opening Stock	Purchase/ Consumption	Sales	Closing Stock
Gold and Jewellery	Grams	1,498,222	4,058,682	4,180,548	1,376,356
Silver, Silver Golusu and Articles	Grams	7,695,195	21,882,658	22,657,804	6,920,050
Silver Articles	Pcs	77,551	26,431	76,970	27,012
Diamonds	Carats	2,527	6,582	6,356	2,752
Precious Stones	Carats	420	885	502	802
Platinum and Precious Stones	Pcs	502	42	105	439
Alloy and Copper	Grams	104,352	(63,622)	-	40,730

##### For the year ended 31st March 2019

Class of Goods	Unit	Opening Stock	Purchase/ Consumption	Sales	Closing Stock
Gold and Jewellery	Grams	1,484,675	4,143,434	4,129,886	1,498,222
Silver, Silver Golusu and Articles	Grams	6,904,844	22,657,100	21,866,749	7,695,195
Silver Articles	Pcs	56,999	119,686	99,134	77,551
Diamonds	Carats	1,386	4,371	3,230	2,527
Precious Stones	Carats	-	489	69	420
Platinum and Precious Stones	Pcs	606	88	192	502
Alloy and Copper	Grams	193,244	(88,892)	-	104,352

#### 42. Details of Products Sold – Broad Head

(₹ in lakhs)

Particulars	2019-20	2018-19
<b>Finished Goods Sold</b>		
Gold Ornaments	152,384.32	131,277.79
Silver Items	9,758.69	8,836.05
	<b>162,143.01</b>	<b>140,113.84</b>
<b>Traded Goods Sold</b>		
Gold Ornaments	732.53	561.35
Diamonds	4,380.69	2,277.45
Silver Items	1,939.87	1,382.48
	<b>7,053.09</b>	<b>4,221.28</b>

**Details of Materials Consumed -Broad Heads**

(₹ in lakhs)

Particulars	2019-20	2018-19
Details of Materials Consumed		
Gold Ornaments	138,390.66	121,242.06
Silver Items and Diamonds	11,256.78	9,045.65
	<b>149,647.44</b>	<b>130,287.72</b>

**Details of Inventory – Broad Heads**

(₹ in lakhs)

Particulars	2019-20	2018-19
Pure Gold	655.00	430.20
Gold Ornaments	51,365.31	45,373.14
Silver Items	2,979.44	3,249.91
Diamonds	1,373.45	1,254.98
	<b>56,373.20</b>	<b>50,308.23</b>

**43. Expenditure in Foreign Currency**

(₹ in lakhs)

Particulars	2019-20	2018-19
Travelling Expenses	-	8.09
Consultancy Charges	181.36	111.11

**44.** The Company has no dues to micro and small enterprises during the year ended March 2020 and March 2019.

**45. 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 its 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
<b>As at March 31, 2020</b>			
Borrowings and Other financial Liabilities	18,077.45	5,493.39	23,570.84
Trade and Other Payable	5,161.37	-	5,161.37
<b>Total</b>	<b>23,238.82</b>	<b>5,493.39</b>	<b>28,732.21</b>
<b>As at March 31, 2019</b>			
Borrowings and Other financial Liabilities	11,568.06	3,831.36	15,399.42
Trade and Other Payable	10,045.94	-	10,045.94
<b>Total</b>	<b>21,614.00</b>	<b>3,831.36</b>	<b>25,445.36</b>

### 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 73:27 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.

### 46. Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of receivables, realization of inventories, other current assets and intangible assets, and certain fixed assets, the Company has considered internal and external information upto the date of approval of these financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

### 47. Capital Management

In assessing the recoverability of receivables, realization of inventories, other current assets and intangible assets, and certain fixed assets, the Company has considered internal and external information upto the date of approval of these financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

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, 2020	March 31, 2019
Borrowings – Total Liabilities	49,514.62	45,929.71
Less: Cash and Cash equivalents, other bank balances.	198.81	894.32
<b>Net Debts ( A)</b>	<b>49,315.81</b>	<b>45,035.39</b>
<b>Equity</b>	<b>22,014.87</b>	<b>19,318.69</b>
<b>Capital and Net debt ( B)</b>	<b>71,330.68</b>	<b>64,354.08</b>
<b>Gearing Ratio (A/ B)</b>	<b>69%</b>	<b>70%</b>

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

49. 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**

 For **Thangamayil Jewellery Limited,**

Chartered Accountants

Firm's Regn. No. 004021S

**K.M.Padmanabhan**

Partner

M.No. 026594

**Balarama Govinda Das**

Managing Director

DIN: 00266424

**Ba. Ramesh**

Joint Managing Director

DIN: 00266368

**N.B.Kumar**

Joint Managing Director

DIN: 01511576

**S.Rethinavelu**

Independent Director

DIN:00935338

**LaljiVora**

Independent Director

DIN:01899070

**V.R. Muthu**

Independent Director

DIN:01908841

**V.Ramasamy**

Independent Director

DIN:00039262

**S.M. Chandrasekaran**

Independent Director

DIN:0008719332

**Yamuna Vasini Deva Dasi**

Director

DIN:01388187

**V. Vijayaraghavan**

Company Secretary

**B.Rajeshkanna**

Chief Financial Officer

DIN:01334048

Place : Madurai

Date : June 29, 2020



## NOTICE TO THE SHARE HOLDERS

**NOTICE IS HEREBY GIVEN THAT THE 20<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON 21<sup>st</sup> SEPTEMBER 2020 THROUGH VIDEO CONFERENCING AT 11.30 AM AT OUR CORPORATE OFFICE AT NO.25/6 PALAMI CENTRE, NEW NATHAM ROAD, MADURAI -14, TO TRANSACT THE FOLLOWING BUSINESS:**

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2020 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 an Ordinary Resolution:

“RESOLVED THAT (pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.S.M. Chandrasekaran holding DIN 0008719332 , who has been appointed as an Independent Director of the Company in the Board meeting held on 14.03.2020, consent of the share holders of the company be and his hereby accorded for his appointment as an Independent Director of the company to hold office for 5 years with effect from 14.03.2020.

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

RESOLVED THAT pursuant to the provisions of 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 for the current Financial year 2020-21 until the next Annual General Meeting up to a sum of Rs.7,705.21 lakhs, (from the Public Rs.5,503.72 lakhs and from the Shareholders of the Company Rs.2,201.49 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 31.03.2020.

**RESOLVED FURTHER THAT** the rate of interest for the fixed deposit be and is hereby revised for the current financial year 2020-2021 as follows:

S.No	Term of deposit	Revised Rate of interest (with effect from 21st September 2020)	Old Rate of Interest
1	1 Year	7.00%	8.50%
2	2 Year	7.50%	9.00%
3	3 Year	8.00%	9.50%

**RESOLVED FURTHER THAT** the Company do hereby comply with all the formalities as per the Companies (acceptance of deposits) Rules, 2014 and under the Companies Act, 2013 with regard to acceptance of deposits from the Public and Shareholders.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do any such act or deeds in connection with acceptance of deposits and as empowered by the Board of Directors with regard to the same under the Companies Act, 2013 and Companies (acceptance of deposits) rules, 2014.

**By Order of the Board of Directors**

**For Thangamayil Jewellery Limited**

Place : Madurai

**CS.V.Vijayaraghavan**

Date : June 29, 2020

**Company Secretary**

**NOTES:**

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

1. 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.
2. The register of members and share transfer books of the company will remain closed from 15th September 2020 to 21st September 2020 (Both days inclusive) as per the requirements of the listing agreement.
3. The company has a designated e-mail id for investor grievances. All the share holders are requested to mail their grievance to [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com)
4. Members are requested to quote their folio / Demat ID numbers in their correspondence always.
5. 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.
6. 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 2019-20 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 2019-20 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 20th 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):

**CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC). Hence, Members can attend and participate in the ensuing AGM through VC.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.thangamayil.com](http://www.thangamayil.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through Video conferencing in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 18th September 2020, 10.00 Am and ends on 20th September 2020, 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. 14th September 2020, 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](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (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. Share holders holding shares in Physical Form should enter Folio Number registered with the Company. (OR)

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login:Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

PAN	<p><b>For Share Holders Holding Shares in Demat Form and Physical Form</b></p> <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Share holders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>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 (v).</li> </ul>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Share holders 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 a print of the vote card 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". The m-voting app can be downloaded from respectively store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

**1. For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [green@skdc-consultants.com](mailto:green@skdc-consultants.com)

**2. For Demat shareholders** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [green@skdc-consultants.com](mailto:green@skdc-consultants.com)

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id - [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id) as above. These queries will be replied by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(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](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the Login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [smrajunaidu@gmail.com](mailto:smrajunaidu@gmail.com) and [companysecretary@thangamayil.com](mailto:companysecretary@thangamayil.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

**By Order of the Board of Directors**

**For Thangamayil Jewellery Limited**

**CS.V.Vijayaraghavan**

**Company Secretary**

Place: Madurai

Date : June 29, 2020

**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 : June 29, 2020



**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	Mr.S.M. Chandrasekaran
Date of Birth	10.02.1957	01.05.1961
Nationality	Indian	Indian
Date of appointment on the Board	04.02.2015	14.03.2020
Qualification	SSLC	B.com., FCA.,
Experience in functional areas	-	Practicing chartered accountant for the last 30 years & Well versed in Financial accounting, Management accounting, Auditing & treasury areas
Number of Shares held in the company	20200	Nil
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 is a Director.	-	-

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

**ITEM NO.4**

Mr.S.M.Chandrasekaran has been appointed as an Independent Director of the Company. In the Board meeting held on 14.03.2020. He is a practicing Chartered accountant at Madurai and has around 30 years of working experience as a practitioner in the field of accounting and Auditing allied matters. He does not hold by himself or for any person on a beneficial basis any shares in the company. In terms of S.149 and any other applicable provisions of the companies Act, 2013, Mr.S.M.Chandrasekaran being eligible and having been appointed as an Independent Director for 5 years w.e.f 14th March, 2020 consent of the shareholders is sought for his appointment. In the opinion of the Board Mr.S.M.Chandrasekaran fulfils conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Copy of the draft letter of appointment of Mr.S.M.Chandrasekaran as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the corporate office of the company during normal business hours on any working day excluding Sunday. The Board considers that his association would be of immense benefit to the company and it is desirable to avail the services of Mr.S.M. Chandrasekaran as an Independent Director. Accordingly the Board recommends the resolution pertaining to appointment of Mr.S.M.Chandrasekaran as an Independent Director for the approval of the shareholders of the company.

**Memorandum of Interest:**

Except Mr. S.M.Chandrasekaran, being a appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no 4.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

**ITEM NO.5**

Under section 73 & 76 of the companies act 2013, read with acceptance of deposit rules, 2014 it has become mandatory for the company to obtain prior consent of the share holders of the company with regard to acceptance of deposits under the Act.

As an eligible company under the act for acceptance of public deposits from the public since we are fulfilling the criteria of net worth of Rs.100 Crores or more and turnover of Rs.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.

The company has revised the rate of interest for the term deposit as shown in the said resolution for your approval.

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: June 29, 2020





# THANGAMAYIL JEWELLERY LIMITED<sup>®</sup>

CIN: L36911TN2000PLC044514

Corporate Office - No. 25/6, Palami Center, New Natham Road, Near Ramakrishna Mutt,  
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Registered Office - No. 124, Nethaji Road, Madurai - 625001.

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