



# THANGAMAYIL JEWELLERY LIMITED

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CIN: L36911TN2000PLC044514

## PART: I

### Un Audited / Audited Financial Results For the quarter ended and year ended on 31st March 2014

₹ in Lakhs

Sl.No	Particulars	Quarter Ended			Year Ended	
		31-03-2014 Un Audited	31-12-2013 Un Audited	31-03-2013 Un Audited	31-03-2014 Audited	31-03-2013 Audited
1	Sales and Other Income	28,073.87	24,946.67	35,633.61	1,19,611.47	1,52,479.16
	<b>Total Income</b>	<b>28,073.87</b>	<b>24,946.67</b>	<b>35,633.61</b>	<b>1,19,611.47</b>	<b>1,52,479.16</b>
2	<b>Expenditure</b>					
	a) Consumption of Raw Materials	24,570.02	15,018.99	27,182.10	99,253.59	1,44,118.50
	b) Changes in Inventories of finished goods, work in progress and stock in trade	3,691.76	8,255.60	5,748.71	12,122.17	(8,166.10)
	c) Employee Benefits expenses	318.63	497.38	666.32	1,773.71	2,180.88
	d) Depreciation and amortisation expenses	155.74	139.90	150.73	564.85	458.87
	e) Other Expenditure	1,439.19	1,181.14	1,747.30	4,503.44	5,879.00
	<b>Total Expenditure</b>	<b>30,175.34</b>	<b>25,093.01</b>	<b>35,495.16</b>	<b>1,18,217.76</b>	<b>1,44,471.15</b>
3	<b>Profit/(Loss)from Operations before Other Income, Interest and Exceptional Items (1-2)</b>	<b>(2,101.47)</b>	<b>(146.34)</b>	<b>138.45</b>	<b>1,393.71</b>	<b>8,008.01</b>
4	Other Income	-	-	-	-	-
5	<b>Profit/(Loss)before Interest &amp; Exceptional Items(3+4)</b>	<b>(2,101.47)</b>	<b>(146.34)</b>	<b>138.45</b>	<b>1,393.71</b>	<b>8,008.01</b>
6	Finance Cost	958.49	733.56	925.38	3,470.31	3,702.46
7	<b>Profit/(Loss) after Interest but before Exceptional Items (5-6)</b>	<b>(3,059.96)</b>	<b>(879.89)</b>	<b>(786.93)</b>	<b>(2,076.60)</b>	<b>4,305.55</b>
8	Exceptional Items	-	-	-	-	-
9	<b>Profit/( Loss) from Ordinary Activities before Tax (7+8)</b>	<b>(3,059.96)</b>	<b>(879.89)</b>	<b>(786.93)</b>	<b>(2,076.60)</b>	<b>4,305.55</b>
10	Tax Expenses (Net)	(1,016.46)	(231.09)	(214.10)	(819.71)	1,342.08
11	<b>Net Profit/(Loss) from Ordinary Activities after Tax (9-10)</b>	<b>(2,043.50)</b>	<b>(648.80)</b>	<b>(572.83)</b>	<b>(1,256.89)</b>	<b>2,963.47</b>
12	Extraordinary Items (Net of Expenses )	-	-	-	-	-
13	<b>Net Profit/(Loss) for the Period (11-12)</b>	<b>(2,043.50)</b>	<b>(648.80)</b>	<b>(572.83)</b>	<b>(1,256.89)</b>	<b>2,963.47</b>
14	Paid up Equity Share Capital (Face Value of Rs.10/- each)	1,371.96	1,371.96	1,371.96	1,371.96	1,371.96
15	Reserve excluding Revaluation Reserve	-	-	-	13,987.88	15,405.29
16	<b>EPS after Extra ordinary Items</b>					
	Basic EPS after Extra ordinary Items	(14.89)	(4.73)	(4.18)	(9.16)	21.60
	Diluted EPS after Extra ordinary Items	(14.89)	(4.73)	(4.18)	(9.16)	21.60

## PART: II

### Select Information for the quarter and year ended on 31st March 2014

Sl.No	Particulars	Quarter Ended			Year Ended	
		31-03-2014 Un Audited	31-12-2013 Un Audited	31-03-2013 Un Audited	31-03-2014 Audited	31-03-2013 Audited
17	<b>Public Share Holdings</b>					
	- Number of Shares	40,68,631	41,71,551	42,68,893	40,68,631	42,68,893
	- Percentage of Share Holdings	29.66%	30.41%	31.12%	29.66%	31.12%
18	<b>Promoters and Promoters group share holding</b>					
	a) Pledged/ Encumbered					
	- Number of Shares	14,76,220	14,76,220	11,76,220	14,76,220	11,76,220
	- Percentage of Shares on total share holding of promoter and promoter group	15.30%	15.46%	12.45%	15.30%	12.45%
	- Percentage of Shares on the total share capital of the company	10.76%	10.76%	8.57%	10.76%	8.57%
	b) Non - Encumbered					
	- Number of Shares	81,74,731	80,71,811	82,74,469	81,74,731	82,74,469
	- Percentage of Shares on total share holding of promoter and promoter group	84.70%	84.54%	87.55%	84.70%	87.55%
	- Percentage of Shares on the total share capital of the company	59.58%	58.83%	60.31%	59.58%	60.31%
B.	<b>Investor Complaints - Quarter ended 31st March 2014</b>					
	Pending at the beginning of the quarter		Nil			
	Received during the quarter		Nil			
	Disposed during the quarter		Nil			
	Remaining unresolved at the end of the quarter		Nil			

## STATEMENT OF ASSETS AND LIABILITIES

₹ in Lakhs

PARTICULARS	Audited	
	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders Funds:</b>		
(a) Share Capital	1,371.96	1,371.96
(b) Reserves and Surplus	13,987.88	15,405.29
<b>Sub-total -Shareholders' funds</b>	<b>15,359.84</b>	<b>16,777.24</b>
<b>Non-Current Liabilities</b>		
(a) Long-Term Borrowings	1,860.58	1,657.29
(b) Deferred Tax Liabilities (Net)	-	276.35
(c) Other Long Term Liabilities	1,379.82	1,780.38
<b>Sub-total -Non -Current Liabilities</b>	<b>3,240.40</b>	<b>3,714.03</b>
<b>Current Liabilities</b>		
(a) Short-Term Borrowings	21,285.48	21,632.77
(b) Trade Payables	604.43	12,571.52
(c) Other Current Liabilities	7,169.09	3,990.72
(d) Short-Term Provisions	195.51	827.26
<b>Sub-total -Current Liabilities</b>	<b>29,254.51</b>	<b>39,022.27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>47,854.75</b>	<b>59,513.54</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Fixed Assets		
(i) Tangible Assets	7,465.77	7,281.46
(ii) Intangible Assets	694.15	112.59
(iii) Capital Work in Progress	689.04	356.90
(b) Deferred Tax Assets	543.36	-
(c) Long-Term Loans and Advances	1,037.94	986.38
<b>Sub-total - Non - Current Assets</b>	<b>10,430.26</b>	<b>8,737.33</b>
<b>Current Assets</b>		
(a) Inventories	34,237.00	46,527.44
(b) Trade Receivables	24.20	88.65
(c) Cash and Cash Equivalents	1,684.52	2,902.48
(d) Short-Term Loans and Advances	24.25	14.01
(e) Other Current Assets	1,454.52	1,243.63
<b>Sub-total -Current Assets</b>	<b>37,424.49</b>	<b>50,776.21</b>
<b>TOTAL - ASSETS</b>	<b>47,854.75</b>	<b>59,513.54</b>

### Notes:

1. The above financial results were reviewed and recommended by the audit committee and approved by the Board of the Directors at their meeting held on 26th May 2014

2. The Company's Business activity falls within a single business segment in terms of Accounting Standard 17 on Segment Reporting.

3. The Board of Directors has recommended a dividend of 10% ie ₹ 1 /- per Equity Share of ₹ 10 /- each ( Previous year 50% ) subject to shareholders approval in the ensuing Annual General Meeting.

4. Net loss for the current quarter is broadly on account of steep reduction in top line caused adverse demand scenario faced by the industry and due to mark to market loss booked on account of valuation of closing inventory as at 31st March 2014.

5. The figures for the last quarter of the current year and for the previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter.

6. Previous year figures have been regrouped / reclassified to make them comparable with those current year.

For and on Behalf of the Board

*Balarama Govinda Das*

Balarama Govinda Das  
Chairman and Managing Director

Place : Madurai

Date : 26 /05/ 2014

## Press Release

### Thangamayil Jewellery Limited

#### Performance Highlights

- ❖ The year passed by witnessed many adverse macro changes in fundamentals of the conduct of business. Apart from the sagging general economic scenario, Jewellery industry, in particular, was put into testing times.
- ❖ Near ban on import of Gold by way of increase in custom duties and 80:20 scheme;
- ❖ Withdrawal of Metal Loan facilities in August 2013 meant an increase in cost of loan and doing away with natural hedge.
- ❖ Restriction imposed on the extent of leverage entitlement for old ornaments to the customers.
- ❖ Increased volatility in Gold Prices due to changes in duty structure, and significant variations of prices in domestic market due to metal coming in through spurious route.
- ❖ Above factors along with demand recession resulted in significant demand compression.
- ❖ In this backdrop Company recorded turnover of Rs.1196.11 Crores. Adoption of AS2 for Inventory valuation at net realisable value being lesser than the cost incurred and extreme price fluctuations noticed in the year compelled the Company to report a reduced EBITDA of Rs.19.59 Crores and PAT Loss of Rs.12.57 Crores for the year.
- ❖ Company has tried to navigate the turbulent period by taking both quantitative and qualitative measures in certain critical areas of performance indicators of the company.

#### Customer Focus

- ❖ Loyal customer base has increased to 127,064 from 83,009 registering 53% growth.
- ❖ The aggregate advance money received from customers registered a growth of 63% in a difficult year went by, enabling a timely swap of perpetual advance with that of working capital bank finance;





### Working Capital Management

- ❖ Inventory rationalization at store level & lower absolute inventory using own customized software has enabled reduced cost of hedging and interest expense.
- ❖ Slow moving stocks were melted and converted into fast moving items ensuring better cost recovery by improvement in stock rotation.
- ❖ Gold stock turnover ratio improved from 3.46 rotations to 4.39 rotations.
- ❖ Improvement in stock turnover also led by Gross Margin rationalization

### Profitability Management

- Cost management initiatives taken in the year resulted in more than break even sales for substantial Branch outlets;
- The staff productivity has increased by registering 54% improvement in sales per head over the last year;
- Nearly doubled the in house production of gold and trebled silver production with marginal capex thereby reducing the cost of ornaments

### Balance Sheet Management

- Inventory Rationalization has enabled Company to significantly reduce debt from Rs. 326 crores in FY13 to Rs.213 crores in FY'14. This was possible due to
  - Rationalization in Inventory at Store Level
  - Availing Supplier Credit & Customer Advances.

### **FY'14-15, A year of revival.**

- ❖ Focus will be on market share improvement, increasing customer base, better the current stock rotations and improve Return on Capital Employed
- ❖ Further De-leverage the balance sheet by making use of gold price scenario and demand recession witnessed currently.
- ❖ Shift in product mix for Volume orientation as against value and also to concentrate on significant increase in silver articles sales will help the bottom line to improve.
- ❖ Likely shift in policy direction coupled with easing of regulatory framework will contribute to the improvement in the overall performance.
- ❖ RBI permission to use Gold on Lease Model will help us again. This along with other initiatives taken on business front should be of greater advantage.





**B. THIAGARAJAN & Co.**  
CHARTERED ACCOUNTANTS

**Auditor's Report on Quarterly Financial Results and Year to Date results of the company Pursuant to the clause 41 of the Listing Agreement**

To

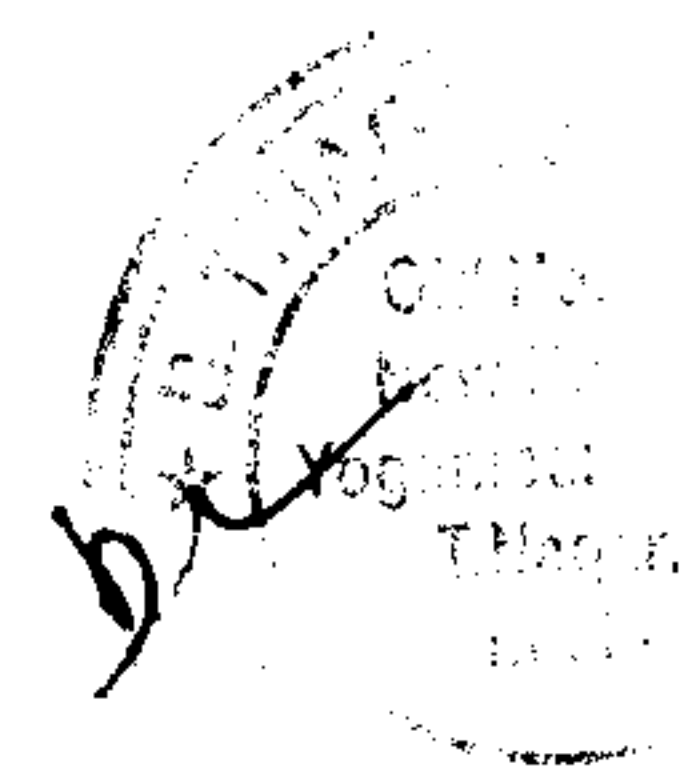
**Board of Directors of**

**Thangamayil Jewellery Limited**

Madurai.

We have reviewed the quarterly financial results of **M/s. Thangamayil Jewellery Limited** for the quarter ended March 31, 2014 and the audited financial results for the year ended March 31, 2014 attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement *except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us.* The quarterly financial results are derived figures between the audited figures in respect of the year ended March 31, 2014 and the published year – to – date figures upto December 31, 2013 being the date of the end of the third quarter of the current financial year, which were subject to limited review and responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine month period ended December 31, 2013 which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standard) Rules , 2006 as per section 211 (3C) of the Companies Act , 1956 read with General Circular 8/2014 issued by the Ministry of Corporate Affairs or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An Audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



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**B. THIAGARAJAN & Co.**  
CHARTERED ACCOUNTANTS

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirement of clause 41 of the Listing Agreement in this regard.
- (ii) give a true and fair view of the net profit/ loss and other financial information for the quarter ended March 31, 2014 as well as the financial year ended March 31, 2014.

Further we also report that we have, on the basis of books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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

*Chartered Accountants,*

F.Reg No: 004371S



**D.Aruchamy**

*Partner*

**M.No:219156**

Place: Madurai

Date: 26<sup>th</sup> May, 2014

