



Date: 06/09/2022

To,  
The Listing Compliance Department,  
BSE Limited,  
P. J. Tower, Dalal Street,  
Mumbai – 400001  
Scrip Code: 534809

To,  
The Listing Compliance Department,  
National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051  
Symbol: PCJEWELLER

**Sub.: Annual Report 2021-22**

Dear Sir / Ma'am,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the Annual Report 2021-22 of the Company.

Annual Report 2021-22 alongwith Notice of the 17<sup>th</sup> Annual General Meeting of the Company is also being sent through electronic mode to those Members whose e-mail addresses are registered with Depository Participants / Company / Registrar & Transfer Agent i.e. KFin Technologies Limited.

Kindly take the same on record.

Thanking you.

For **PC Jeweller Limited**

**VIJAY** Digitally signed by  
VIJAY PANWAR  
**PANWAR** Date: 2022.09.06  
18:52:27 +05'30'

(VIJAY PANWAR)  
**Company Secretary**

Encl.: As above

**PC Jeweller Limited**

REGD. & CORPORATE OFF: C - 54, PREET VIHAR, VIKAS MARG, DELHI - 110 092 PH: 011 - 49714971 FAX : 011 - 49714972

info@pcjeweller.com • www.pcjeweller.com • CIN: L36911DL2005PLC134929



PC Jeweller



# ANNUAL REPORT 2021-22

PC JEWELLER LIMITED



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### Forward-looking statements

Some information in this report may contain forward-looking statements within the meaning of applicable security laws and regulations. This include statements regarding the Company's business plans, expectations and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on the assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements due to various factors including economic conditions affecting demand/supply/price, changes in the applicable rules, regulations, laws, any epidemic or pandemic, natural calamities over which we do not have any control. Members and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Sustenance through strong fundamentals



The Indian jewellery market is not only growing at a healthy pace every year but there is also a shift of consumer preferences and buying from unorganized to organized players. Jewellery is a high value purchase and also incorporates an element of investment in the sense that the customers have the option of exchanging their old jewellery for a fresh one or sell it back for cash at the time of need. Hence in addition to designs and price points, brand and trust factor play a very important role in finalizing the purchase decision of any jewellery buyer.

PC Jeweller Limited is now a 17 year old company and has built up a loyal customer base with its emphasis on designs, purity and customer friendly policies. It was selling hallmarking jewellery even when it was not mandatory. All its showrooms have karatometers where a customer can verify the purity of metal. All

of its diamond jewellery is certified with complete details of the number of diamonds studded in that jewellery item, their colour, category as well as clarity.

However, it is obvious that in the case of any type of consumer good any brand or retailer or producer has to remain vigilant regarding changing consumer tastes and demands. PC Jeweller has its own designer team as well as manufacturing facilities and hence is able to create new designs and new varieties of jewellery items to cater to changing consumer demands and gets regular consumer footfalls. In addition instead of only wedding jewellery which was the main stay till a few years ago, the Company has also increased the range and variety of jewellery available in its showrooms so that it can cater to all age groups, all price points and all occasions.

## PC JEWELLER LIMITED

The Company has been regularly introducing new design and collections for its customers.

The Company in its journey of 17 years has developed strong systems & processes, robust supply chain & procurement, designing, manufacturing as well as inventory management.

The majority of the Company's sales take place through its own showrooms which are luxurious and well appointed. The Company has developed detailed systems & procedures for its showroom staff so that the customer gets a uniform experience on visiting any of its showrooms.

At the same time in these competitive times regular advertising and customer interaction is very necessary for maintaining brand recall as well as increasing consumer footfalls. The Company has also an experienced marketing and advertising team.

The Company has ensured that all its business operations whether in accounting, manufacturing, inventory management, safety & security have adequate technological fundamentals which are not only commensurate with the size of its operations but also have enough redundancy to cater to a manifold increase in the same.

The Company started online sale of jewellery more than six years ago. It has been a pioneer in leveraging technology for developing omni channel retail by online offline integration where the inventory present in its showrooms can also be checked and purchased from its website only without visiting the showroom. Similarly it was one of the early players to introduce the product of digital gold for its customers.



# A glimpse of our latest collections

## THE FLUTTERING BEAUTY

Two beautiful gold leaves made of the diamonds and lush natural green stones incite feeling of freedom & freshness and represent:

- Love and romance in the air of the season
- Fluttering of expectations in young hearts
- Anxiety of shy love birds



## ANANT

These wooden center pieces are delicately hand carved by some local artisans into such a beauty. Those raw coconut shell is well treated by a long process of cleaning & removing of husk, shaped, trimmed and polished using coconut oil. Working alongside with the master goldsmiths, at PCJ we created the first luxury jewellery collection to feature this botanical alternative to unethical wood cutting.



## RAKHI COLLECTION

Raksha Bandhan is not just about a simple thread of love anymore. Despite having strong emotional and cultural connect, the Rakhi(s) are often not worn from the very next day of the festival. Through our Rakhi collection, these Rakhi(s) have been transformed into an occasional wear like tie pins, brooches and pendants.



## ANIMAL COLLECTION

Inspired by wildlife, this collection carries silver and diamonds jewellery with bright enamel hues in line with today's trend. The collection uses unique style & expression through natural shapes and motifs with oblique patterns.



## MEN'S COLLECTION



## DIAMOND MANGALSUTRA



## BLOOMING DALE





## MESSAGE FROM MANAGING DIRECTOR

### *Dear Shareholders,*

I am happy to present you the Annual Report of your Company for the financial year 2021-22.

FY 2021-22 again remained a difficult one for all of us. The business which had started recovering after the first wave of Covid-19 pandemic once again got disrupted by the second wave and which proved to be as destructive as the first. The Company's showrooms remained shut for long periods in the first quarter and thereafter their normal functioning remained disrupted due to local restrictions which continued almost till August end. These disruptions affected the operations and the liquidity of the Company.

However, the Company remains confident of growth of the jewellery sector and a faster shift of consumer preference from unorganized to organized branded players. Your Company is well placed to take an increasing share of demand with its vast network of showrooms as well as a good brand image and the customers continue to have trust in the quality and purity of the jewellery purchased from its showrooms.

In this context, some of the areas being worked upon by the Company include:

- (1) Revamping and beautifying its showrooms by new signage and branding.

- (2) Changing the inventory composition of its showrooms so that range and variety available can cater to all age groups, all price points and all occasions.
- (3) Launching new collections on a regular basis.
- (4) Revamping its advertisement content to make it more contemporary with higher emphasis on diamond jewellery.
- (5) Increasing brand recall with regular advertising in print, media (FM) as well as digital channels.
- (6) Leveraging on its existing customer base by increasing its interaction and connection with them by organizing several activities and get together at its showrooms.
- (7) Participating in various wedding jewellery and wedding exhibitions at various locations to further increase its visibility.

The Company is also working to increase its ground level presence by opening new showrooms. However, this expansion will be asset light with the store expansion being done on a franchisee basis. The overall plan is to open at least 50 new showrooms by August 2024.

I continue to remain thankful to all our employees for their strong resolve and commitment towards the Company through the testing times. I would also like to thank my Board colleagues for their continuous inspiration and guidance as well as all our customers, business partners including our Bankers.

Yours sincerely,

Sd/-  
(BALRAM GARG)  
**Managing Director**



# Corporate Information

## BOARD OF DIRECTORS

Shri Balram Garg	Managing Director
Shri Ramesh Kumar Sharma	Executive Director
Smt. Sannovanda Machaiah Swathi	Independent Director
Dr. Manohar Lal Singla	Independent Director
Shri Krishan Kumar Khurana	Independent Director
Shri Miyar Ramanath Nayak	Independent Director
Shri Suresh Kumar Jain	Independent Director

## CHIEF FINANCIAL OFFICER

Shri Sanjeev Bhatia

## COMPANY SECRETARY & COMPLIANCE OFFICER

Shri Vijay Panwar

## STATUTORY AUDITORS

M/s Arun K. Agarwal & Associates, Chartered Accountants

Firm Registration No.: 003917N

## REGISTERED OFFICE

PC Jeweller Limited

C - 54, Preet Vihar, Vikas Marg, Delhi - 110092

Tel: 011 - 49714971, Fax: 011 - 49714972

## REGISTRAR AND TRANSFER AGENT (RTA)

KFin Technologies Limited

Selenium Tower B, Plot No. 31 - 32,

Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad - 500032 (Telangana)

Toll Free No.: 1800-309-4001

E-mail: einward.ris@kfintech.com

## WEBSITE

[www.pcjeweller.com](http://www.pcjeweller.com)

## CORPORATE IDENTITY NUMBER

L36911DL2005PLC134929

## ISIN

INE785M01013

## BSE SCRIP CODE

534809

## NSE SYMBOL

PCJEWELLER





# STATUTORY REPORTS



# DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 17<sup>th</sup> Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2022.

## FINANCIAL HIGHLIGHTS

The highlights of standalone financial statements of the Company for the financial year ended March 31, 2022 and previous year are as under:

(₹ in crore, except earnings per share)

Particulars	2021-22	2020-21
Revenue from operations	1,574.05	2,669.34
Other income	59.51	30.67
<b>Total income</b>	<b>1,633.56</b>	<b>2,700.01</b>
Profit / (loss) before finance costs, depreciation and tax	(44.54)	431.35
Less: Finance cost	437.37	393.68
Less: Depreciation & amortisation expenses	26.24	33.26
<b>Profit / (loss) before tax</b>	<b>(508.15)</b>	<b>4.41</b>
Less: Tax Expense	(118.55)	(56.43)
<b>Net profit / (loss) after tax</b>	<b>(389.60)</b>	<b>60.84</b>
Other comprehensive income for the year, net of tax	0.37	0.58
<b>Total comprehensive income / (loss) for the year</b>	<b>(389.23)</b>	<b>61.42</b>
<b>Earnings per equity share (in ₹):</b>		
Basic	(8.37)	1.50
Diluted	(8.37)	1.50

## BUSINESS OVERVIEW AND THE COMPANY'S PERFORMANCE

Your Company is one of the leading jewellery companies in the organised jewellery retail sector in India. It is engaged in the business of trade, manufacture and sale of gold, diamond, precious stone, gold and diamond studded jewellery as well as silver articles. It offers wide range and variety of jewellery including 100% hallmarked gold jewellery with a focus on certified diamond jewellery to cater not only to wedding jewellery but party and daily wear also.

To meet the choices and requirements of the customers, your Company keeps on launching new designs and collections from time to time. The Company owns jewellery sub-brands Swarna Dharohar, Inayat and Mirosa. It has launched many new jewellery designs under its sub-brands and collections such as

The Fluttering Beauty, Mens Collection, Diamond Mangalsutra, Animal Collection, Dashavtar, Watch Accessories etc.

As on March 31, 2022 the Company has total of 82 showrooms including 11 franchisee showrooms and also has 4 manufacturing units in India.

During the year under review, the Company's accounts with its Lenders turned Non-performing Assets ("NPA") due to default / non-payment of debt / interest / installments etc. on account of decline in the business and revenues caused by Covid-19 pandemic. The Company has since approached its Lenders with its resolution proposal under the appropriate RBI Guidelines and the same is under their active consideration.

During the year, the revenue from operations of your Company fell by 41% to ₹ 1,574.05 crore from ₹ 2,669.34 crore during previous year mainly on account of restriction in operations and liquidity constraints after the Company's accounts becoming NPA. As a result of decline in revenue, the Company incurred net loss of ₹ 389.60 crore as compared to net profit of ₹ 60.84 crore during previous year.

## IMPACT OF COVID-19

The financial year ended March 31, 2022 marked the second year since the World Health Organisation declared the outbreak of Covid-19 as a pandemic. During the year under review, countries across the globe continued to face economic and social disruptions along with the loss of lives and livelihoods. Eruptions of new waves and variants of the virus necessitated various restrictions and lockdown from time to time.

In April 2021, India witnessed a second wave of Covid-19 followed by another wave in the fourth quarter, which once again affected the revenue from operations of the Company.

Please refer Note 50 of the standalone financial statements for financial year ended March 31, 2022 for further details in respect of impact of Covid-19 on the financial statements of the Company.

## CAPITAL STRUCTURE

**Authorised Share Capital:** During the year under review, the authorised share capital of the Company remained unchanged at ₹ 760 crore comprising of 50 crore equity shares of ₹ 10/- each and 26 crore preference shares of ₹ 10/- each.

**Paid-Up Share Capital:** The paid-up share capital of the Company also remained unchanged at ₹ 465,40,38,960/- comprising of 46,54,03,896 equity shares of ₹ 10/- each.

# PC JEWELLER LIMITED

## DIVIDEND

The Board of Directors (“Board”) has not recommended any dividend for the year.

## TRANSFER TO GENERAL RESERVE

The Board has not proposed transfer of any amount to General Reserve. However, the Company has transferred an amount of ₹ 1.64 crore from Share Options Outstanding Account to General Reserve, on account of 37,408 share options lapsed / forfeited in accordance with PC Jeweller Limited Employee Stock Option Plan 2011.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company comprises of 2 Executive and 5 Non-Executive Independent Directors including 1 Woman Director.

During the year Shri Balram Garg was re-appointed as Managing Director of the Company for a period of 5 years w.e.f. July 1, 2021 and Shri Ramesh Kumar Sharma was re-appointed as Whole-time Director for a period of 3 years w.e.f. February 7, 2022.

The first term of Smt. Sannovanda Machaiah Swathi as an Independent Director of the Company will expire on January 18, 2023 and it is proposed to re-appoint her for a further period of 5 years with effect from January 19, 2023. On the recommendation of Nomination and Remuneration Committee, the Board has recommended her re-appointment for the approval of Members by way of Special Resolution at the 17<sup>th</sup> Annual General Meeting (“AGM”) of the Company.

Shri Ramesh Kumar Sharma is liable to retire by rotation at the 17<sup>th</sup> AGM of the Company and being eligible, offers himself for re-appointment as a Director of the Company.

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, the details of Smt. Sannovanda Machaiah Swathi and Shri Ramesh Kumar Sharma form part of the Notice convening the 17<sup>th</sup> AGM.

During the year under review, no changes have taken place among Key Managerial Personnel of the Company.

## SUBSIDIARY COMPANIES

As on March 31, 2022, your Company has following 5 wholly owned non-material subsidiaries:

i) **PC Universal Private Limited:** It is engaged in the business of manufacturing and export of gold jewellery and have a manufacturing unit at Noida Special Economic Zone, Noida

(U.P.). During the year under review it incurred net loss of ₹ 5.11 crore.

ii) **Transforming Retail Private Limited:** It is engaged in the business of online retail trading of gold and diamond jewellery. During the year under review its revenue from operations was ₹ 126.22 crore and registered net profit of ₹ 0.40 crore.

iii) **Luxury Products Trendsetter Private Limited:** It is engaged in the business of manufacturing / job working and trading of jewellery and have a manufacturing unit at Sitapura, Jaipur (Rajasthan). During the year under review its revenue from operations was ₹ 12.13 crore and registered net profit of ₹ 3.98 crore.

iv) **PCJ Gems & Jewellery Limited:** It is authorized to carry on the business of manufacturing and trading of all kinds of jewellery. However, it has not commenced business operations during the year under review and incurred net loss of ₹ 0.02 crore.

v) **PC Jeweller Global DMCC:** It was incorporated in Dubai (UAE) and is engaged in the business of jewellery trading. During the year under review its revenue from operations was ₹ 0.95 crore and incurred net loss of ₹ 6.31 crore.

During the year under review, no company has become subsidiary of your Company. Comercializadora Internacional PC Jeweller International S.A.S., the wholly owned subsidiary of PC Jeweller Global DMCC and step down subsidiary of the Company ceased to exist w.e.f. April 5, 2021. It had not commenced business operations till the date of cessation.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the “Act”) a statement containing salient features of the financial statements of the subsidiaries (Form AOC – 1) is annexed as “**Annexure – 1**” to this Report. Please refer Note 56 of the consolidated financial statements for the financial year ended March 31, 2022 for the details of contribution of the subsidiaries to the overall performance of your Company. The financial statements of all the subsidiaries are available on the Company’s website [www.pcjeweller.com](http://www.pcjeweller.com) in Investor section.

## ASSOCIATE AND JOINT VENTURE COMPANIES

Your Company do not have any associate or joint venture company within the meaning of Section 2(6) of the Act and during the year no company has become or ceased to be associate or joint venture company.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been prepared in accordance with the accounting principles applicable



in India including Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder and forms part of the Annual Report.

### SECRETARIAL STANDARDS

The Company has complied with the applicable provisions of Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

### COST RECORDS

Your Company is not required to maintain cost records as specified under Section 148 of the Act.

### STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have confirmed their independence and submitted declaration of independence with the Company in accordance with the provisions of the Act and LODR Regulations. They have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

### BOARD MEETINGS

During the year 5 meetings of the Board were held on May 27, 2021; August 14, 2021; October 28, 2021, November 14, 2021 and February 14, 2022 respectively.

### AUDIT COMMITTEE

Audit Committee comprises of 4 Directors including 3 Independent Directors. Dr. Manohar Lal Singla, Independent Director, is the Chairman of the Committee. For further details, please refer to Report on Corporate Governance.

### PUBLIC DEPOSITS

Your Company was accepting unsecured deposits from the public under jewellery purchase scheme 'Jewel for Less'. However, during financial year 2019-20, the Company stopped accepting fresh deposits from the public after credit rating of its deposit programme was downgraded below minimum investment grade by the rating agency. During the year under review, the Company has neither invited nor accepted any deposits. The requisite details relating to deposits covered under Chapter V of the Act are as under:

- a) Accepted during the year : Nil
- b) Remained unpaid or unclaimed as at the end of the year : ₹ 7.06 crore

- c) 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:

- i) at the beginning of the year : Nil
- ii) maximum during the year : Nil
- iii) at the end of the year : Nil

There are no deposits that have been accepted by the Company that are not in compliance with the requirements of Chapter V of the Act.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

As per Section 125 of the Act, any dividend amount remaining unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account, is required to be transferred to IEPF. Further, as per Section 124 of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares on which dividend remained unpaid / unclaimed for 7 consecutive years are also required to be transferred to the demat account of IEPF Authority. Accordingly, the Company has transferred unclaimed final dividend for financial year 2013-14 amounting to ₹ 44,636/- and 972 equity shares to IEPF during the year under review.

Those Members, whose unclaimed dividends / shares have been transferred to IEPF are advised to visit the weblink <http://iepf.gov.in/IEPF/refund.html> and claim the same by making an application to IEPF Authority in e-Form IEPF-5. No claim shall lie against the Company in respect of unclaimed dividend and shares transferred to IEPF.

The details of year wise amount of unclaimed dividend as on March 31, 2022 and the due dates for their transfer to IEPF are as under:

Financial year	Date of declaration	Unclaimed dividend Amount (₹)	Due date of transfer to IEPF
2014-15	September 19, 2015	2,54,918.40	October 24, 2022
2015-16	September 19, 2016	1,12,147.95	October 26, 2023
2016-17	September 8, 2017	30,848.00	October 13, 2024
2017-18	September 29, 2018	5,19,801.00	November 2, 2025

### PARTICULARS OF LOANS, GUARANTEES AND INVESTEMENTS

The details of loans given and investments made by your Company are disclosed in the notes forming part of the financial statements. The Company has not provided any guarantee.

## PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions entered into by your Company during the year under review were on arm's length basis and in the ordinary course of business. The Company had not entered into any contract / arrangement / transaction with related parties, which could be considered as material in accordance with the Company's Policy on Materiality of and Dealing with Related Party Transactions. Hence, disclosure in Form AOC - 2 is not required. The details of transactions with related parties during the year have been disclosed in Note 37 of the financial statements.

## PARTICULARS OF TRANSACTIONS WITH ANY PERSON OR ENTITY BELONGING TO PROMOTER / PROMOTER GROUP HOLDING 10% OR MORE SHAREHOLDING

Shri Balram Garg and Smt. Krishna Devi hold more than 10% shares in the Company. The details of transactions of the Company with them during the year under review are as under:

(₹ in crore)

Particulars	Year ended March 31, 2022
<b>Adjustment towards loan:</b>	
Shri Balram Garg	0.08
<b>Adjustment towards rent:</b>	
Shri Balram Garg	0.06
<b>Rent paid:</b>	
Shri Balram Garg	0.03
Smt. Krishna Devi	0.37

## RISK MANAGEMENT

Pursuant to Regulation 21 of LODR Regulations, your Company has constituted a Risk Management Committee. As on March 31, 2022, the Committee comprises of 3 Directors including 1 Independent Director. For further details, please refer to Report on Corporate Governance.

The Company has also put in place a Risk Management Policy to define a framework for identification, assessment and mitigation of risks. In the opinion of the Board, there are no risks which may threaten the existence of the Company.

## INTERNAL CONTROL SYSTEMS

Your Company undergoes a rigorous audit process at stipulated intervals for stock, cash etc. along with other items by statutory and internal auditors. The Company has effective internal control systems in place, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized

use or disposition. Internal auditor also periodically carried out review of the internal control systems and procedures and their reports are placed before Audit Committee for its review. There were no significant comments / findings in the reports of Internal auditor during the year under review.

Your Company has also put in place adequate internal controls with reference to the financial statements commensurate with the size and nature of operations of the Company. Such controls were tested and test results summary of the testing done based on key controls shown effective controls prevailing within the Company.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments affecting financial position of the Company between end of the financial year and the date of the report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### A) CONSERVATION OF ENERGY

Your Company in its endeavour towards conservation of energy ensures optimal use of energy and avoid wastages.

### B) TECHNOLOGY ABSORPTION

Your Company has not carried out any research and development activities.

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company's foreign exchange earnings and outgo were ₹ 195.83 crore and ₹ 0.69 crore respectively.

## DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has constituted Internal Complaints Committee for redressal of complaints on sexual harassment. During the year under review, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2022.

## WHISTLE BLOWER POLICY

Your Company has in place a Whistle Blower Policy, which provides a formal mechanism for all the employees and Directors



of the Company to report about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct and leak of unpublished price sensitive information etc. and provides reassurance that they will be protected from reprisals or victimization for whistle blowing.

During the year under review, the Company had not received any complaint under the policy and no complaint was pending as on March 31, 2022. The policy is available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) in Investor section.

### **BOARD EVALUATION**

Your Company has in place the Board approved criteria for evaluation of performance of the Board, its Committees and individual Directors. The annual performance evaluation of the Board, its Committees and the Directors is carried out on the basis of evaluation forms, which include a rating mechanism.

The Board carried out annual performance evaluation of its own performance on the basis of evaluation forms received from all the Directors. The performance of each Board Committee was evaluated by the Board, based on evaluation forms received from members of the respective Committee. Further, performance of individual Directors was evaluated by Nomination and Remuneration Committee as well as the Board on the basis of evaluation forms received from all the Directors except the Director being evaluated. Independent Directors also reviewed the performance of the Board and Non-Independent Directors.

The criteria for performance evaluation of the Board and its Committees amongst others include their composition, processes, information and functioning, terms of reference of the Committees, etc. The criteria for performance evaluation of the Directors including Independent Directors amongst others include their contribution at the meetings, devotion of time and efforts to understand the Company, its business, their duties and responsibilities and adherence to the code of conduct, etc.

Based on the feedbacks received, the consolidated report on the performance of the Board, its Committees and individual Directors was placed before the Board. The Board expressed satisfaction over the performance of the Board, its Committees and the Directors.

### **SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS**

There were no significant / material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future.

### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the year under review.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Act, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures from the same;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **EMPLOYEE STOCK OPTION PLAN**

With the objective of retaining talent and reward loyalty, your Company has in place PC Jeweller Limited Employee Stock Option Plan 2011 ("**ESOP 2011**"). ESOP 2011 is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. During the year under review, no changes were made in ESOP 2011.

The disclosure relating to ESOP 2011 as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/downloads/FY-2023/Others/ESOP-Disclosure-under-the-SEBI-SBEB-and-SE-Regulations-2021.pdf>. The certificate of secretarial auditor with respect to the implementation of ESOP 2011 will be available for inspection by Members during the 17<sup>th</sup> AGM.

## **POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION AND CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF A DIRECTOR**

Nomination & Remuneration Policy of the Company is designed to identify the persons for appointment as Director(s) and who may be appointed in Senior Management including Key Managerial Personnel ("KMP") as well as determining the remuneration of the Director, KMP and other employees and to attract, motivate and retain manpower by creating a congenial work atmosphere, encouraging initiatives, personal growth and team work by creating a sense of belonging and involvement, besides offering appropriate remuneration packages.

The objective of Policy on Criteria for determining Qualifications, Positive Attributes and Independence of a Director is to determine qualifications, positive attributes and independence of a Director.

Both the policies are available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) in Investor section.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

As per LODR Regulations, Management Discussion and Analysis Report forms part of the Annual Report.

## **BUSINESS RESPONSIBILITY REPORT**

As per LODR Regulations, Business Responsibility Report forms part of the Annual Report.

## **DIVIDEND DISTRIBUTION POLICY**

The Company has in place a Dividend Distribution Policy in terms of Regulation 43A of LODR Regulations. The policy is available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/Dividend-Distribution-Policy.pdf>

## **ANNUAL RETURN**

In accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, the Annual Return has been placed on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/downloads/FY-2023/Others/Draft-Annual-Return-2021-22.pdf>

## **AUDITORS AND THEIR REPORTS**

### **STATUTORY AUDITORS**

M/s Arun K. Agarwal & Associates, Chartered Accountants (Firm Registration No. 003917N) were appointed as statutory auditors

of the Company for 5 years from the conclusion of the 15<sup>th</sup> AGM of the Company held on August 7, 2020.

The notes to the financial statements referred to in statutory auditors' report are self-explanatory and do not call for any further explanations or comments. However, the explanations or comments of the Board on the qualification, reservation or adverse remark or disclaimer in statutory auditors' report are as under:

### **1) Para 3 of Independent Auditors' Report regarding discount to export customers during the financial year ended March 31, 2019**

The Company had filed requisite applications with AD Category - 1 Banks for seeking approval of the aforesaid discount as per Master Circular on Exports of Goods and Services (Master Circular No.14/2014-15) issued by Reserve Bank of India. Subsequently, the Company has obtained approvals from Authorized Dealer Banks for reduction in receivables corresponding to discounts amounting to ₹ 323.07 crore and approval for the balance amount is under process. The discount extended was in accordance with the aforesaid Master Circular and the management does not expect any material penalty to be levied and therefore, no provision for the same has been recognized in the financials.

### **2) Para ii (b) of Annexure - A to Independent Auditors' Report regarding variances in quarterly returns or statements filed with the banks with the books of accounts**

The variance in the value of inventory for the quarter ended June 2021 was on account of a clerical error. For the remaining quarters the variances are less than 0.15% and have arisen only due to minor corrections during finalization of the financial results. Similarly, the variances in the values of sundry receivables is less than 1% for the first three quarters. The variance for the last quarter is on account of foreign exchange restatement and ECL provisions at the end of the financial year.

### **3) Para iii (c), (d) and (e) of Annexure - A to Independent Auditors' Report regarding loans / advances granted by the Company**

The Company has granted loans for business purposes to its two subsidiaries as they do not enjoy any credit facility from any bank / financial institution. There is no increase in the quantum of these loans during the year. The staff advances have been extended to permanent employees of the Company in the normal course for their personal requirements.

### **4) Para v of Annexure - A to Independent Auditors' Report regarding balance in deposit repayment reserve account is short by ₹ 1.39 crore as at March 31, 2022**



The Company had set aside adequate fixed deposits for the purpose.

**5) Para vii (a) of Annexure - A to Independent Auditors' Report regarding arrears of undisputed statutory dues outstanding for more than six months at the year end**

The Company will do the needful to make the payment in due course.

**6) Para ix (a) of Annexure - A to Independent Auditors' Report regarding default in repayment of loans (including interest) to its Bankers**

The Company's accounts with its Lenders turned NPA as on June 30, 2021 on account of decline in the business and subsequent liquidity constraints. The Company has since approached its Lenders with its resolution proposal under the appropriate RBI Guidelines and the same is under their active consideration.

**7) Para xvii of Annexure - A to Independent Auditors' Report regarding cash losses incurred**

The cash losses are the result of decline in the turnover and business operations during the year.

**8) Para xix of Annexure - A to Independent Auditors' Report regarding payment of overdue portion of Company's borrowing accounts**

The Company has already submitted its resolution plan detailing its plans towards settlement of overdues and the plan is under active consideration of the Company's Lenders.

**9) Para xx (b) of Annexure - A to Independent Auditors' Report regarding unspent CSR amount pursuant to ongoing project has not been transferred to special account**

The Company's liquidity position had become very constrained after March 2020 on account of lockdowns and disruptions in business due to spread of Covid-19 pandemic. During FY 2020-21, a cheque for ₹ 6.50 crore was issued by the Company towards CSR expenditure to an implementing agency as approved by Corporate Social Responsibility Committee and the Board which however, could not get cleared subsequently due to liquidity constraints. Thereafter, the Company's accounts with its Lenders turned NPA as on June 30, 2021 and its banking transactions got highly restricted. Therefore, the CSR expenditure for FY 2020-21 and 2021-22 remains unspent. Further, the Company submitted a request to its Lead Bank (State Bank of India) for opening a special current account under the nomenclature of "Unspent Corporate Social Responsibility Account" in March 2022

on which no action was taken by the Bank. However, the Company's resolution process is under active consideration with its Lenders and it is confident of meeting the necessary compliances as per the law post implementation of the resolution process.

**SECRETARIAL AUDITOR**

In accordance with Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Company has appointed M/s Kirti Dureja & Co., Company Secretaries as secretarial auditor of the Company for the year under review.

Secretarial Audit Report is annexed herewith as "Annexure - 2" to this Report. The explanations or comments of the Board on the qualification, observation or other remarks in Secretarial Audit Report are as under:

**1) Regarding the composition of the Board did not have sufficient number of directors liable to retire by rotation**

The Company will do the needful to ensure necessary compliance in due course.

**2) Regarding unspent CSR amounts for financial year 2020-21 and 2021-22 pursuant to ongoing project(s) are not transferred to special account**

The Company's liquidity position had become very constrained after March 2020 on account of lockdowns and disruptions in business due to spread of Covid-19 pandemic. During FY 2020-21, a cheque for ₹ 6.50 crore was issued by the Company towards CSR expenditure to an implementing agency as approved by Corporate Social Responsibility Committee and the Board which however, could not get cleared subsequently due to liquidity constraints. Thereafter, the Company's accounts with its Lenders turned NPA as on June 30, 2021 and its banking transactions got highly restricted. Therefore, the CSR expenditure for FY 2020-21 and 2021-22 remains unspent. Further, the Company submitted a request to its Lead Bank (State Bank of India) for opening a special current account under the nomenclature of "Unspent Corporate Social Responsibility Account" in March 2022 on which no action was taken by the Bank. However, the Company's resolution process is under active consideration with its Lenders and it is confident of meeting the necessary compliances as per the law post implementation of the resolution process.

**3) Regarding balance in deposit repayment reserve account is short by ₹ 1.39 crore as at March 31, 2022**

The Company had set aside adequate fixed deposits for the purpose.



#### 4) Regarding gap between two consecutive meetings of Risk Management Committee exceeding 180 days

Due to start of the third wave of Covid-19 in Delhi during second half of December 2021, which disrupted the normal operations, the second meeting of Risk Management Committee got delayed. The Company is now more careful and vigilant and endeavor to ensure that this lapse do not occur again.

#### DETAILS IN RESPECT OF FRAUDS

During the year under review, statutory and secretarial auditors have not reported any fraud under Section 143(12) of the Act.

#### REPORT ON CORPORATE GOVERNANCE

As per LODR Regulations, Report on Corporate Governance forms part of the Annual Report. The Corporate Governance Compliance Certificate from Practicing Company Secretary is annexed as "Annexure - 3" to this Report.

#### PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 in respect of the employees of the Company is annexed as "Annexure - 4" to this Report.

#### CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Policy is placed on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) in Investor section. The Policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community, in the local area and around areas of operations of the Company including other parts of the Country.

Annual Report on CSR activities pursuant to Section 135 of the Act and Rules made thereunder is annexed as "Annexure - 5" to this Report.

#### ACKNOWLEDGEMENT

Your Directors would like to convey their sincere gratitude and place on record appreciation for the support and co-operation of the Company's employees, lenders, customers, suppliers and shareholders, who have reposed their continued trust, faith and confidence in the Company.

For and on behalf of the Board

Place: New Delhi  
Date: August 9, 2022

Sd/-  
(RAMESH KUMAR SHARMA)  
**Executive Director**  
DIN: 01980542

Sd/-  
(BALRAM GARG)  
**Managing Director**  
DIN: 00032083



## Annexure - 1

## FORM AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

## Part "A": Subsidiaries

(₹ in crore)

Sl. No.	Name of the subsidiary Particulars	PC Universal Private Limited	Transforming Retail Private Limited	Luxury Products Trendsetter Private Limited	PCJ Gems & Jewellery Limited	PC Jeweller Global DMCC
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2021 to March 31, 2022	April 1, 2021 to March 31, 2022	April 1, 2021 to March 31, 2022	April 1, 2021 to March 31, 2022	April 1, 2021 to March 31, 2022
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR	INR	INR	INR	1 AED = 20.68 INR
3	Share capital	0.05	0.01	0.01	0.05	133.86
4	Reserves & surplus	(26.73)	(6.65)	(16.67)	(0.03)	27.93
5	Total assets	102.90	7.30	15.21	0.02	161.90
6	Total liabilities	129.58	13.95	31.87	0.00*	0.11
7	Investments	0.27	0.00	0.00	0.00	0.00
8	Turnover	0.00	126.22	12.13	0.00	0.95
9	Profit / (loss) before taxation	(5.11)	0.58	5.31	(0.02)	(6.31)
10	Provision for taxation	0.00*	0.18	1.33	0.00	0.00
11	Profit / (loss) after taxation	(5.11)	0.40	3.98	(0.02)	(6.31)
12	Proposed dividend	0.00	0.00	0.00	0.00	0.00
13	% of shareholding	100.00	100.00	100.00	100.00	100.00

# Rounded off to nil.

- Names of subsidiaries which are yet to commence operations: PCJ Gems & Jewellery Limited
- Names of subsidiaries which have been liquidated or sold during the year: Comercializadora Internacional PC Jeweller International S.A.S., the wholly owned subsidiary of PC Jeweller Global DMCC, ceased to exist w.e.f. April 5, 2021.

## Part "B": Associates &amp; Joint Ventures

- Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable
- Names of associates or joint ventures which are yet to commence operations: Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year: Not Applicable

## For and on behalf of the Board of Directors

Sd/-  
Ramesh Kumar Sharma  
**Executive Director**  
DIN: 01980542

Sd/-  
Balram Garg  
**Managing Director**  
DIN: 00032083

Sd/-  
Vijay Panwar  
**Company Secretary**  
Membership No.A19063

Sd/-  
Sanjeev Bhatia  
**Chief Financial Officer**

## SECRETARIAL AUDIT REPORT

for the financial year ended 31<sup>st</sup> March 2022

*[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,  
**PC JEWELLER LIMITED**  
(L36911DL2005PLC134929)  
C - 54, Preet Vihar, Vikas Marg,  
Delhi-110092, India

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

Based on our verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March 2022 and made available to us, according to the provisions of:

- (i) The Companies Act, 2013 ('**the Act**') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 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, 2015;
  - (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: **Not Applicable**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: **Not Applicable**;
  - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable**; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **Not Applicable**;



(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company by virtue of the Company being engaged in the jewellery business, during the period under review:

- (a) Bureau of Indian Standards Act, 2016 and applicable rules and regulations;
- (b) The Legal Metrology Act, 2009 read with rules and regulations made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except in respect of the matters specified below:

- (i) The composition of the Board of the Company did not have sufficient number of directors liable to retire by rotation as required under section 152(6) of the Act;
- (ii) The unspent corporate social responsibility amounts for the financial year 2020-21 and 2021-22 pursuant to ongoing project(s) are not transferred to special account as required under section 135 read with schedule VII of the Act;
- (iii) The balance in deposit repayment reserve account as at March 31, 2022, as required under section 73(2)(c) of the Act, is short by INR 1.39 crores;
- (iv) The gap between two consecutive meetings of risk management committee held during financial year 2021-22 was more than 180 days as required under Regulation 21(3C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the chairperson of the meeting, the decisions of the Board and Committee meetings were unanimous, and no dissenting views are captured and recorded as part of the minutes.

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.

For **Kirti Dureja & Co.,**  
Company Secretaries

Date: August 8, 2022  
Place: Faridabad

Sd/-

**Kirti Dureja**

Practicing Company Secretary

Membership No. A38334, C.P. No. 16865

Peer review no.: 2049/2022

UDIN: A038334D000763454

To,  
The Members,  
**PC JEWELLER LIMITED**  
(L36911DL2005PLC134929)  
C - 54, Preet Vihar, Vikas Marg,  
Delhi-110092, India

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 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. We have not examined the compliance by the company with applicable financial laws like Direct and Indirect Tax Laws, since the same has been subject to review by the Statutory and other Audit by other designated professionals.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of 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 the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Kirti Dureja & Co.,**  
Company Secretaries

Date: August 8, 2022  
Place: Faridabad

Sd/-  
**Kirti Dureja**  
Practicing Company Secretary  
Membership No. A38334, C.P. No. 16865  
Peer review no.: 2049/2022  
UDIN: A038334D000763454

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
The Members of  
PC Jeweller Limited,  
C-54, Preet Vihar, Vikas Marg,  
Delhi-110092

We have examined all relevant records of PC Jeweller Limited (the **Company**) for the purpose of certifying the compliance of conditions of corporate governance for the year ended 31<sup>st</sup> March, 2022 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") read with Schedule V of SEBI LODR Regulations.

The compliance of conditions of corporate governance is the responsibility of the management of the Company. Our examination was limited to the 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 specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) and para C and D of Schedule V of SEBI LODR Regulations during the year ended 31<sup>st</sup> March, 2022 except that the gap between two consecutive meetings of risk management committee held during financial year 2021-22 was more than 180 days and for that company has provided clarification to the exchange that the delay was caused due to disruption caused by the start of the third wave of covid-19.

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 **Kirti Dureja & Co.,**  
Company Secretaries

Date: August 8, 2022  
Place: Faridabad

Sd/-

**Kirti Dureja**

Practicing Company Secretary  
Membership No. A38334, C.P. No. 16865  
Peer review no.: 2049/2022  
UDIN: A038334D000763498

**PARTICULARS OF EMPLOYEES**

**(A) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**(i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:**

Median remuneration of employees for the financial year 2021-22: ₹ 2.41 lakh

Name of Director	Category / Designation	Ratio
Dr. Manohar Lal Singla	Non-Executive Independent Director	1.16
Shri Krishan Kumar Khurana		1.33
Shri Miyar Ramanath Nayak		0.58
Shri Suresh Kumar Jain		0.54
Smt. Sannovanda Machaiah Swathi		0.33
Shri Balram Garg	Managing Director	0.00
Shri Ramesh Kumar Sharma	Executive Director	16.48

**(ii) The percentage increase / (decrease) in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22:**

(₹ in lakh)

Name	Category / Designation	2020-21	2021-22	% increase / (decrease) in remuneration
Dr. Manohar Lal Singla	Non-Executive Independent Director	2.80	2.80	0.00
Shri Krishan Kumar Khurana		2.40	3.20	33.33
Shri Miyar Ramanath Nayak		2.00	1.40	(30.00)
Shri Suresh Kumar Jain		0.40	1.30	225.00
Smt. Sannovanda Machaiah Swathi		0.40	0.80	100.00
Shri Balram Garg	Managing Director	0.00	0.00	0.00
Shri Ramesh Kumar Sharma	Executive Director	33.33	39.71	19.14
Shri Sanjeev Bhatia	Chief Financial Officer	33.91	39.71	17.10
Shri Vijay Panwar	Company Secretary	34.57	40.46	17.04

**Note:** Remuneration of Non-Executive Independent Directors is the sitting fee paid to them for attending meetings of the Board and its Committees.

**(iii) The percentage increase / (decrease) in the median remuneration of employees in the financial year 2021-22: 12.62%**

**(iv) The number of permanent employees on the rolls of company as on March 31, 2022: 1,416**

**(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

(₹ in lakh)

Particulars	2020-21	2021-22	% increase / (decrease)
Average salaries of all employees other than Key Managerial Personnel	2.63	2.88	9.51
Key Managerial Personnel			
Salary of Managing Director	0.00	0.00	0.00
Salary of Chief Financial Officer	33.91	39.71	17.10
Salary of Company Secretary	34.57	40.46	17.04



No exceptional increase made in managerial remuneration during the year. The increase in the salaries of employees including Key Managerial Personnel is mainly due to increase in the quantum of total salary paid to them on account of restoration of full salary after the cuts affected during FY 2020-21 due to Covid-19 pandemic.

**Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

**(B) STATEMENT AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**(i) Top 10 employees in terms of remuneration drawn:**

Particulars	Name	Shri Ramesh Kumar Sharma	Shri Sanjeev Bhatia	Shri Raja Ram Sugla	Shri Kuldeep Singh	Smt. Rashmi Anand
	(1)	(2)	(3)	(4)	(5)	
<b>Designation</b>	Executive Director*	Chief Financial Officer	President (Accounts & Taxation)	President (Accounts & Audit)	Assistant Vice President (Finance)	
<b>Remuneration received</b>	₹ 39.71 lakh	₹ 39.71 lakh	₹ 36.65 lakh	₹ 36.65 lakh	₹ 16.79 lakh	
<b>Nature of employment</b>	As per Members' Resolution	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee	
<b>Qualification</b>	Certified Associate of Indian Institute of Bankers, M.Com., B.Com.	Certified Associate of Indian Institute of Bankers, M.B.A., M.A., B.A.	Chartered Accountant, B.Com.	Chartered Accountant, B.Sc.	M.B.A., B.Com.	
<b>Experience (in years)</b>	44	36	22	16	10	
<b>Date of commencement of employment</b>	April 1, 2007	August 1, 2008	April 1, 2006	October 1, 2008	September 1, 2011	
<b>Age (in years)</b>	64	60	46	44	41	
<b>Previous employment</b>	State Bank of Bikaner & Jaipur	State Bank of India	Consultant	Consultant	-	
<b>Percentage of Equity Shares held (%)</b>	0.03	0.03	0.02	0.02	0.00#	
<b>Relative Director</b>	None	None	None	None	None	

\* Executive Director & Chief Operating Officer till February 6, 2022.

# Rounded off to nil.



# PC JEWELLER LIMITED

Particulars	Name	Shri Vijay Panwar	Shri Vivek Jain	Smt. Sheiba Anand	Shri Ram Avtar Yadav	Ms. Nupur Vasdev
	(6)	(7)	(8)	(9)	(10)	
<b>Designation</b>	Company Secretary	Chief Technical Officer	President (Retail Operations)	Assistant Vice President (HR)	Manager	
<b>Remuneration received</b>	₹ 40.46 lakh	₹ 24.28 lakh	₹ 43.57 lakh	₹ 31.09 lakh	₹ 18.69 lakh	
<b>Nature of employment</b>	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee	
<b>Qualification</b>	Company Secretary, M.B.A., LL.B., B.Sc.	Chartered Accountant	B.A., B.H.M.	M.A., M.M.S., LL.B.	B.A. (Hons), Diploma in Diamond & Gems Grading	
<b>Experience (in years)</b>	17	31	26	15	10	
<b>Date of commencement of employment</b>	January 21, 2008	February 1, 2018	April 1, 2015	January 1, 2008	October 1, 2014	
<b>Age (in years)</b>	47	56	51	57	30	
<b>Previous employment</b>	Mast Mobile Media Private Limited	Consultant	Genesis Colors	Indian Air Force	Amrapali Jewels	
<b>Percentage of Equity Shares held (%)</b>	0.01	0.00	0.00	0.00 <sup>#</sup>	0.00	
<b>Relative Director</b>	None	None	None	None	None	

# Rounded off to nil.

- (ii) **Employed throughout the financial year and in receipt of remuneration aggregating not less than ₹ 102 lakh per annum:** None
- (iii) **Employed for part of the year and in receipt of remuneration aggregating not less than ₹ 8.50 lakh or more per month:** None
- (iv) **Employed throughout the financial year or part thereof, and was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:** None



## ANNUAL REPORT ON CSR ACTIVITIES

## 1. Brief outline on CSR Policy of the Company:

The Policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community, in the local area and around areas of operations of the Company including other parts of the Country. CSR programs or projects to be undertaken by the Company in terms of the Policy shall relate to one or more activities listed in Schedule VII of the Companies Act, 2013, as amended from time to time.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Manohar Lal Singla	Chairman / Independent Director	2	2
2	Shri Krishan Kumar Khurana	Member / Independent Director	2	2
3	Shri Ramesh Kumar Sharma	Member / Executive Director	2	2

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Composition of CSR Committee: [https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/fy-20/Composition\\_of-Board-Committees.pdf](https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/fy-20/Composition_of-Board-Committees.pdf)

CSR Policy: [https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/PCJ\\_CSR%20Policy.pdf](https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/PCJ_CSR%20Policy.pdf)

CSR projects approved by the Board: <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/downloads/FY-2022/CSR-Project.pdf>

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable for the financial year under review.

## 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in crore)	Amount required to be set-off for the financial year, if any (₹ in crore)
		Nil	

## 6. Average net profit of the Company as per section 135(5): ₹ 46.78 crore

## 7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 0.94 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 0.94 crore

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	Nil		Not Applicable		

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in crore)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No) Name	Mode of Implementation - Through Implementing Agency
				State	District						Name
1	Promoting Education	Clause (ii)	No*	Uttarakhand	Dehradun	2 years	0.94	Nil	Nil	No	PC Charitable Society

\*The Company has its business operations in Dehradun also.

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
Not Applicable									

**(d) Amount spent in administrative overheads:** Nil

**(e) Amount spent on impact assessment, if applicable:** Nil

**(f) Total amount spent for the financial year (8b+8c+8d+8e):** Nil

**(g) Excess amount for set off, if any:**

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the Company as per section 135(5)	0.94
(ii)	Total amount spent for the financial year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (₹ in crore)	Amount spent in the reporting Financial Year (₹ in crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in crore)
				Name of the Fund	Amount (₹ in crore)	Date of transfer	
1	2020-21	Nil	Nil	Not Applicable			6.37

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in crore)	Amount spent on the project in the reporting Financial Year (₹ in crore)	Cumulative amount spent at the end of reporting Financial Year (₹ in crore)	Status of the project - Completed /Ongoing
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**

(Asset-wise details):

- (a) **Date of creation or acquisition of the capital asset(s):** No capital asset created during the financial year under review.
- (b) **Amount of CSR spent for creation or acquisition of capital asset:** Not Applicable
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Not Applicable
- (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):**  
Not Applicable

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):**

Although the Company has identified the project for promoting education to meet its CSR obligation yet as the Company's accounts with its lenders had turned NPA, hence, its banking transactions got highly restricted. Due to this restriction as well as the liquidity issues caused by lockdowns and disruptions in business due to spread of Covid-19 pandemic, the Company could neither spent any amount towards meeting its CSR obligations for the current financial year nor been able to transfer the unspent amounts of the year under review as well as previous year to Unspent CSR Account.

Sd/-  
(BALRAM GARG)  
**Managing Director**

Sd/-  
(MANOHAR LAL SINGLA)  
**Chairman CSR Committee**

# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L36911DL2005PLC134929
2. Name of the Company : PC Jeweller Limited
3. Registered Address : C - 54, Preet Vihar, Vikas Marg, Delhi - 110092
4. Website : www.pcjeweller.com
5. E-mail id : info@pcjeweller.com
6. Financial year reported : April 1, 2021 to March 31, 2022
7. Sector that the Company is engaged in (industrial activity code-wise) : Jewellery (3211 - As per NIC 2008)
8. Key products / services that the Company manufactures / provides : Gold jewellery, diamond and diamond studded jewellery
9. Total number of locations where business activity is undertaken by the Company:
  - (a) Number of International locations: Although the Company's business also includes export of jewellery but it is not having any showroom / manufacturing unit located outside India. However, it has one wholly owned subsidiary 'PC Jeweller Global DMCC' in Dubai.
  - (b) Number of National locations: The Company has total of 82 showrooms including 11 franchisee showrooms and also 4 manufacturing units in India.
10. Markets served by the Company: National and International

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up capital : ₹ 465.40 crore
2. Total turnover : ₹ 1,574.05 crore
3. Total profit / (loss) after taxes : ₹ (389.60) crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Although the Company has identified the project for promoting education to meet its CSR obligation but as the Company's accounts with its lenders had turned NPA, hence, its banking transactions got highly restricted. Due to this restriction as well as the liquidity issues caused by the lockdowns and disruptions in business due to spread of Covid-19 pandemic, the Company could not spend any amount towards CSR activities.
5. List of activities in which expenditure in 4 above has been incurred: The Company has identified a project for promoting education to meet its CSR obligation but it could not spend any amount towards CSR activities.

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?: The Company has 5 wholly owned subsidiaries. 4 of them are located in India and 1 in Dubai.
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s): No
3. Do 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? [Less than 30%, 30-60%, More than 60%]: Although the Company's BR Policies / initiatives do not apply to its vendors / suppliers etc., yet the Company follows zero tolerance on any acts of bribery, corruption etc. by any such agencies during their dealings with the Company and / or any of its employees.



## SECTION D: BR INFORMATION

### 1. Details of the Director responsible for implementation of BR Policy and BR Head:

DIN Number	: 01980542
Name	: Shri Ramesh Kumar Sharma
Designation	: Executive Director
Telephone Number	: 011 - 47104810
e-mail id	: rksharma@pcjeweller.com

### 2. Principle-wise (as per NVGs) BR Policy / Policies:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for ....	Yes	No	Yes	Yes	Yes	No	NA	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	NA	Yes	Yes	Yes	NA	NA	Yes	Yes
3	Does the policy conform to any national / international standards?@	Yes	NA	Yes	Yes	Yes	NA	NA	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?@	Yes	NA	Yes	Yes	Yes	NA	NA	Yes	Yes
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes	NA	Yes	Yes	Yes	NA	NA	Yes	Yes
6	Indicate the link for the policy to be viewed online.	For information of the relevant stakeholders and employees, most of the policies are uploaded on the website / intranet of the Company.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, where ever applicable.								
8	Does the Company have in-house structure to implement the policy?	The relevant policies / practices are generally embedded in the day-to-day business operations of the Company and are implemented at management levels or through implementing agencies.								
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Yes, where ever applicable.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The management of the Company internally keeps on reviewing the implementation of the policies / practices.								

@ Some of the policies / practices have been implemented and followed over a period of time as per the industry norms and / or best practices prevailing and have not been specifically approved by the Board. However, they are broadly in compliance with the applicable laws.

If answer to the question at Sr. No. 1 against any principle, is "No", please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	Within the overall guidance of the Board / management, the policies / practices are framed and / or modified / updated from time to time. Some of the policies / practices have been implemented and followed over a period of time as per the industry norms and / or the best practices prevailing and have not been specifically approved by the Board. Although, some of these principles have not been specifically codified in the form of formal policies, the Company endeavours to incorporate these principles in its operations and that these are followed to the maximum possible extent.								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (Please specify)									

### 3. GOVERNANCE RELATED TO BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The management of the Company monitors the BR initiatives from time to time.

- **Does the Company publish a BR or Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?**

Yes, the Company publish BR Report. It started publishing BR Report from financial year 2016-17 onwards as a part of Annual Report. The BR Report can be accessed at the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) in the Investor section.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption apply only to the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company's policies under this principle include the Codes of Conduct and Whistle Blower Policy. The Company's policies do not apply to external stakeholders including suppliers, contractors etc. However, the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company and / or any of its employees.

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

During the year under review, the Company has not received any complaints with regard to violation of the Codes of Conduct and under Whistle Blower Policy. Also, no such complaint was pending as on March 31, 2022.

#### PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

The Company is engaged in the business of manufacturing, sale and trading of jewellery. It manufactures gold and diamond studded jewellery, which are safe for use and do not cause any harm to the customers. Jewellery is a recyclable product and India

has a tradition of recycling of old jewellery. The Company also encourages this practice and often runs incentive schemes for the customers for exchanging their old jewellery with new jewellery.

#### PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

The Company always recognises that its principal asset is its employees and they are the fundamental drivers of its growth. The Company believes in establishing and building a strong performance and competency driven culture amongst its employees and is always determined for their betterment and welfare.

1. Total number of employees : 1,416
2. Total number of employees hired on temporary / contractual / casual basis : Nil
3. Number of permanent women employees : 468
4. Number of permanent employees with disabilities : 2
5. Do you have an employee association that is recognized by management?: No
6. What percentage of your permanent employees is members of this recognized employee association?: NA
7. 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 : Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? :

Permanent Employees	The Company periodically organizes in-house training programs to upgrade the skills of its employees. It also provides them basic fire and safety training from time to time.
Permanent Women Employees	
Employee with Disabilities	
Casual / Temporary / Contractual Employee	NA

#### PRINCIPLE 4: BUSINESSES SHOULD RESPECT INTEREST OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

1. **Has the Company mapped its internal and external stakeholders?**

The Company identify its employees as internal stakeholders. The external stakeholders of the Company include suppliers, customers, investors and bankers etc.



**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Amongst its internal stakeholders, the Company has identified women employees as well as employees with disabilities as the disadvantaged and vulnerable stakeholders.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.**

The Company believe in providing equal opportunity to all the employees and do not discriminate amongst them on the basis of their gender or physical abilities. The Company also strongly favours women empowerment and endeavours to provide them more and more employment opportunities. 33% of the Company's employees are women employees.

The policies adopted and put in place by the Company, specifically – CSR Policy and the Codes of Conduct, defines the way ahead for the Company towards the contribution to be made to the society and the manner in which it will conduct itself.

**PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint ventures / suppliers / contractors / NGOs / others?**

The Company is always committed to protect and safeguard the human rights as well as conduct its business with honesty, integrity and ethics. It acknowledges the importance of human rights and discourages practices of child labour, forced labour and sexual harassment etc.

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

During the year under review, the Company has not received any complaint related to violation of human rights, child labour, forced labour, involuntary labour and sexual harassment and no such complaint was pending as on March 31, 2022.

**PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

**1. Does the policy related to principle 6 cover only the Company or extend to the Group / Joint ventures / suppliers / contractors / NGOs / others?**

Although, the Company do not have any specific environment policy in force, but it gives prime importance to the environment for long term sustainability. In its efforts to

protect and restore the environment as well as conserve the natural resources, the Company strives optimal use of energy by converting to LED lights across its locations and avoid wastage of papers.

Also to maintain clean environment and to combat greenhouse emissions, the Company is using solar power system at one of its manufacturing units. Further, the Company's products are recyclable one which do not cause any harm to the environment.

**2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.**

No

**3. Does the company identify and assess potential environmental risks? Y / N**

No

**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 environmental compliance report is filed?**

No

**5. Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y / N. If yes, please give hyperlink to web page etc.**

No

**6. Are the emissions / waste generated by the Company within permissible limits given by CPCB / SPCB for the financial year being reported?**

The Company is engaged in the business of manufacturing of jewellery, mainly hand made jewellery, which do not generate substantial emission / waste.

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

Nil

**PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

**1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**



The Company is a member of the following associations / chambers:

- The Associated Chambers of Commerce & Industry of India;
- The Gems & Jewellery Export Promotion Council; and
- Export Promotion Council for EOU's & SEZs

**2. Have you advocated / lobbied through above associations for advancement or improvement of public good? Yes / No; If yes, specify the broad areas.**

The Company generally participates in the programmes organised by these associations / chambers from time to time and supports various initiatives and issues for better customer experience.

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

**1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?**

The Company has in place Corporate Social Responsibility ("CSR") Policy. CSR program / project to be undertaken by the Company in terms of CSR Policy relate to activities mentioned in Schedule VII of the Companies Act, 2013.

**2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?**

The Company undertakes CSR program through implementing agency.

**3. Have you done any impact assessment of your initiative?**

The Company has not undertaken impact assessment of its CSR initiatives. However, it may review the impact of its various initiatives, as and when required.

**4. What is the Company's direct contribution to community development projects amount in INR and the details of the projects undertaken?**

Although the Company has identified the project for promoting education towards its CSR obligation yet as the Company's bank accounts with its consortium lenders had turned NPA, hence, Lead Bank restricted the Company's banking transactions. Due to this restriction as well as the liquidity issues caused by the lockdowns and disruptions in business due to spread of Covid-19 pandemic, the Company could not spend any amount towards CSR activities.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

The needful will be done once the project get completed.

**PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER**

**1. What percentage of customer complaints / consumer cases as on the end of financial year?**

Negligible

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws?**

The Company sells 100% hallmarked gold jewellery. All of its showrooms are equipped with 'Karatometers', where any customer can test purity of the jewellery. The labels / tags on the Company's products displays all the information mandated by the applicable laws. Diamond jewellery is also accompanied by the certificate issued by Gemological India Enterprise consisting of information about weight, colour, clarity etc. of the diamond. The product pricing and other terms and condition of sale are also transparent and clearly explained to the customers at the time of sale.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year?**

There was no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour and no such case was pending as on March 31, 2022.

**4. Did your Company carry out any consumer survey / consumer satisfaction trends?**

The Company being customer centric organization, works very closely with the need and choices of its customers and keeps their demands, culture and purchasing preferences in mind. Hence, the Company keeps on launching new jewellery designs and collections at regular intervals. In addition, the Company actively takes feedback from its customers and addresses their issues, if any.



# REPORT ON CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PHILOSOPHY

Your Company believes that sound corporate governance practices go a long way in retaining the trust and confidence of all the stakeholders. The Company has always strived to adopt best corporate governance practices and maintain the highest ethical standards.

## BOARD OF DIRECTORS

### I) COMPOSITION

The Board of Directors ("**Board**") of the Company has an optimum combination of Executive and Non-Executive Directors and more than 50% of the Board comprises of Non-Executive Directors in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**").

The Board comprises of 7 Directors (2 Executive and 5 Non-Executive Directors including 1 Woman Director). Independent Directors constitute more than 70% of the Board's strength i.e. more than the requirements of the Companies Act, 2013 (the "**Act**") and LODR Regulations. The Board of the Company comprises of the following Directors:

Name	Designation	Category
Shri Balram Garg	Managing Director	Promoter
Shri Ramesh Kumar Sharma	Executive Director	Non-Promoter
Dr. Manohar Lal Singla	Non – Executive Director	Independent Director
Shri Krishan Kumar Khurana		
Shri Miyar Ramanath Nayak		
Shri Suresh Kumar Jain		
Smt. Sannovanda Machaiah Swathi		

All the Directors of the Company are individuals of integrity and possess relevant expertise and experience and none of them are related to each other.

### II) INDEPENDENT DIRECTORS

The Company has 5 Independent Directors on its Board including 1 Woman Director. All Independent Directors have submitted declarations with the Company that they fulfill the conditions of independence prescribed in the Act as well as LODR Regulations. In their declarations, all Independent Directors have also confirmed that they are

not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Board after assessing their disclosures confirms that all Independent Directors of the Company fulfill the conditions of independence specified in the Act and LODR Regulations and are independent of the management of the Company.

None of the Independent Directors of the Company serve as an Independent Director in more than the maximum permissible limit on number of directorships as an Independent Director and also has not crossed the maximum tenure of an Independent Director.

Independent Directors are made aware of their roles, responsibilities and liabilities at the time of appointment through a formal letter of appointment, which stipulates the terms and conditions of their appointment. Further, Executive Directors and Senior Management keep them updated about the Company, its business model, operations and the industry etc. The details of familiarisation programme imparted to Independent Directors during the year is available on the Company's website and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/FY-21/Familiarisation-Programmes-during-FY2021-22.pdf>

During the year, 1 meeting of Independent Directors of the Company was held on August 14, 2021 without the presence of Non-Independent Directors and members of the management of the Company. Dr. Manohar Lal Singla, Chaired the meeting.

### III) KEY SKILL MATRIX OF THE BOARD

The Board has identified the following skills / expertise / competencies for effective functioning of the Company, which are currently available with its Board:

**Business and Strategy:** Understanding of business dynamics, across various geographical areas and industry verticals. Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions.

**Industry experience and knowledge:** Knowledge and experience in the jewellery industry to provide strategic guidance to the management.

# PC JEWELLER LIMITED

**Financial and Risk Management:** Wide-ranging financial skills, accounting and reporting, corporate finance and internal controls, including assessing quality of financial controls, identify the key risks to the Company and monitor the effectiveness of the risk management framework and practices.

**Governance:** Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board

and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.

Skills / expertise / competencies possessed by the Directors of the Company have been highlighted in the below table. However, the absence of mark (√) against a Director's name does not necessarily mean the Director does not possess the corresponding skills or competencies.

Name	Skills / Expertise / Competencies			
	Business and Strategy	Industry experience and knowledge	Financial and Risk Management	Governance
Shri Balram Garg	√	√	√	√
Shri Ramesh Kumar Sharma	√	√	√	√
Dr. Manohar Lal Singla	√	√	√	-
Shri Krishan Kumar Khurana	-	√	√	√
Shri Miyar Ramanath Nayak	-	√	√	√
Shri Suresh Kumar Jain	-	-	√	√
Smt. Sannovanda Machaiah Swathi	√	-	√	√

## IV) BOARD MEETINGS AND ATTENDANCE

During the year 5 meetings of the Board were held and the gap between any two meetings did not exceed 120 days. The requisite quorum was present during all the Board meetings.

The Directors were provided all the relevant information and details required for taking informed decisions at the Board meetings. The dates of meetings of the Board, attendance of the Directors thereat and at last Annual General Meeting ("AGM") of the Company are as under:

Name	Meetings					AGM
	May 27, 2021	August 14, 2021	October 28, 2021	November 14, 2021	February 14, 2022	September 30, 2021
Shri Balram Garg	√	√	√	√	√	√
Shri Ramesh Kumar Sharma	√	√	√	√	√	√
Dr. Manohar Lal Singla	√	√	√	√	√	√
Shri Krishan Kumar Khurana	√	√	√	√	√	√
Shri Miyar Ramanath Nayak	-	√	√	-	√	√
Shri Suresh Kumar Jain	-	√	√	-	√	√
Smt. Sannovanda Machaiah Swathi	-	-	√	√	-	√

## V) OUTSIDE DIRECTORSHIPS AND THE COMMITTEES POSITIONS

The details of outside directorships, memberships / Chairmanships of Audit Committee and Stakeholders Relationship Committee in Indian public companies as well as directorships in other listed companies and category, as on March 31, 2022 are as under:

Name	Number of outside directorships <sup>@</sup>	Number of outside committee memberships / Chairmanships		Directorships in other listed companies and category
		Member	Chairman	
Shri Balram Garg	4	Nil	Nil	None
Shri Ramesh Kumar Sharma	Nil	Nil	Nil	None
Dr. Manohar Lal Singla	Nil	Nil	Nil	None
Shri Krishan Kumar Khurana	Nil	Nil	Nil	None
Shri Miyar Ramanath Nayak	2	1	Nil	Asian Star Company Limited (Independent Director) TARC Limited (Independent Director)
Shri Suresh Kumar Jain	2	3	2	Fino Payments Bank Limited (Independent Director)
Smt. Sannovanda Machaiah Swathi	3	3	Nil	Simplex Castings Limited (Independent Director) Bhartiya International Limited (Independent Director)

@ Excludes directorship in foreign companies, private companies (except subsidiary of a public company) and companies under Section 8 of the Act.



In compliance with Regulation 26 of LODR Regulations, all the Directors of the Company have made the disclosures about the committee positions held by them. None of the Directors of the Company are members of more than ten committees or act as the Chairman of more than five committees across all the companies in which they are Directors.

## VI) REMUNERATION OF THE DIRECTORS

Non-Executive Directors of the Company are paid sitting fee of ₹ 40,000/- for attending each meeting of the Board and ₹ 10,000/- for attending each meeting of the Committees of the Board, as approved by the Board and within the limits prescribed under the Act. The Company also pays / reimburses out-of-pocket expenses incurred by them for attending the meetings. The details of remuneration paid to the Directors during the year under review are as under:

(₹ in lakh)				
Name	Sitting Fee	Salary	Bonus / Ex-gratia / Commission / Pension	Total
Shri Balram Garg	Nil	Nil	Nil	Nil
Shri Ramesh Kumar Sharma	Nil	35.97	3.74	39.71
Dr. Manohar Lal Singla	2.80	Nil	Nil	2.80
Shri Krishan Kumar Khurana	3.20	Nil	Nil	3.20
Shri Miyar Ramanath Nayak	1.40	Nil	Nil	1.40
Shri Suresh Kumar Jain	1.30	Nil	Nil	1.30
Smt. Sannovanda Machaiah Swathi	0.80	Nil	Nil	0.80

During the year, neither any performance linked incentives were paid to any of the Directors nor any stock options were granted to them.

None of the Non-Executive Directors has any pecuniary relationship or transaction vis-a-vis the Company during the year under review.

The appointments of Managing Director and Executive Director are governed by the resolutions passed by the Board and Members of the Company, which cover the terms and conditions of their appointments, read with the service rules of the Company. The services of Managing Director and Executive Director may be terminated by either party, by giving the other party three months' notice or paying three months' salary in lieu thereof. There is no separate provision for payment of severance fee under the resolutions governing their appointments.

## VII) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY THE DIRECTORS

The number of shares and convertible instruments of the Company held by the Directors as on March 31, 2022 are as under:

Name	Equity shares	Convertible instruments
Shri Balram Garg	20,42,82,100	Nil
Shri Ramesh Kumar Sharma	1,32,500	Nil
Dr. Manohar Lal Singla	Nil	Nil
Shri Krishan Kumar Khurana	Nil	Nil
Shri Miyar Ramanath Nayak	Nil	Nil
Shri Suresh Kumar Jain	Nil	Nil
Smt. Sannovanda Machaiah Swathi	Nil	Nil

## VIII) CODE OF CONDUCT

The Board has laid down a Code of Conduct for the Directors and Senior Management of the Company. This Code is placed on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com). All the Directors and Senior Management of the Company have affirmed compliance with this Code and a declaration to that effect by Shri Balram Garg, Managing Director is attached to this report as **Annexure - 1**.

## COMMITTEES OF THE BOARD

The Committees of the Board are set up by the Board and are governed by their respective terms of reference. These Committees play a pivotal role in the governance of the Company. The minutes of the meetings of all the Committees of the Board are placed before the Board.

There are 6 Committees of the Board as on March 31, 2022, details of which are as under:

### I) AUDIT COMMITTEE

#### A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of 4 Directors including 3 Independent Directors. Dr. Manohar Lal Singla, Independent Director is the Chairman of the Committee. All members of the Committee are financially literate and having requisite accounting or related financial management expertise. The composition of the Committee and its terms of reference are in compliance with the Act and LODR Regulations. The Company Secretary acts as the Secretary to the Committee.

The role and terms of reference of the Committee,

inter-alia, includes oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; recommendation for appointment, remuneration and terms of appointment of auditors of the company; reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval; reviewing, with the management, the quarterly financial statements before submission to the board for approval; approval or any subsequent modification of transactions of the company with related parties; reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; discussion with internal auditors of any significant findings and follow up there on; to review the functioning of the Whistle Blower mechanism; approval of appointment of Chief Financial Officer.

#### B) MEETINGS AND ATTENDANCE

During the year 4 meetings of the Committee were held. The dates of meetings and attendance of the Committee members thereat were as under:

Name & Category	Meetings			
	May 27, 2021	August 14, 2021	November 14, 2021	February 14, 2022
Dr. Manohar Lal Singla Chairman - Independent Director	√	√	√	√
Shri Krishan Kumar Khurana Member - Independent Director	√	√	√	√
Shri Miyar Ramanath Nayak Member - Independent Director	-	√	-	√
Shri Balram Garg Member - Managing Director	√	√	√	√

Dr. Manohar Lal Singla, Chairman of the Committee was present at the last AGM of the Company held on September 30, 2021.

### II) NOMINATION AND REMUNERATION COMMITTEE

#### A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of 3 Independent Directors. Shri Krishan Kumar Khurana, Independent Director is the Chairman of the Committee. The composition of the Committee and its terms of reference are in compliance with the Act and LODR Regulations.

The terms of reference of the Committee, inter-alia, includes identifying persons who are qualified to

become directors and who may be appointed in senior management, and recommend to the Board their appointment and removal; formulation of the criteria for determining qualifications, positive attributes and independence of a director; recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees; formulation of criteria or specifying the manner for evaluation of performance of the Board, its Committees and Directors and review its implementation and compliance; considering and recommending grant of employees stock options, if any, as well as administration and superintendence of the same; consider extension or continuance of the term of appointment of Independent Director.



## B) MEETINGS AND ATTENDANCE

During the year 2 meetings of the Committee were held. The dates of meetings and attendance of the Committee members thereat were as under:

Name & Category	Meetings	
	May 27, 2021	August 14, 2021
Shri Krishan Kumar Khurana Chairman - Independent Director	√	√
Dr. Manohar Lal Singla Member - Independent Director	√	√
Shri Suresh Kumar Jain Member - Independent Director	-	√

Shri Krishan Kumar Khurana, Chairman of the Committee was present at the last AGM of the Company held on September 30, 2021.

## C) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Company has in place the Board approved criteria for evaluation of performance of individual Directors including Independent Directors. The process of performance evaluation is based on the evaluation forms, which include a rating mechanism. The criteria for annual performance evaluation of Independent Directors amongst others includes their attendance and contribution at the meetings, devotion of time and effort to understand the Company, its business, their duties

Name & Category	Meetings	
	May 27, 2021	November 14, 2021
Shri Krishan Kumar Khurana Chairman - Independent Director	√	√
Shri Balram Garg Member - Managing Director	√	√
Shri Ramesh Kumar Sharma Member - Executive Director	√	√

Shri Krishan Kumar Khurana, Chairman of the Committee was present at the last AGM of the Company held on September 30, 2021.

and responsibilities, impact and influence on the Board / Committees and adherence to the Code of Conduct etc. The performance of Independent Directors is evaluated by Nomination and Remuneration Committee as well as the Board on the basis of evaluation forms received from all the Directors except the Director being evaluated.

## III) STAKEHOLDERS RELATIONSHIP COMMITTEE

### A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of 3 Directors including 1 Independent Director. Shri Krishan Kumar Khurana, Independent Director is the Chairman of the Committee. The composition of the Committee and its terms of reference are in compliance with the Act and LODR Regulations.

The terms of reference of the Committee, inter-alia, includes considering and resolving the grievances of security holders of the Company; review of measures taken for effective exercise of voting rights by shareholders; evaluating performance of the Registrar and Share Transfer Agent; review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

### B) MEETINGS AND ATTENDANCE

During the year 2 meetings of the Committee were held. The dates of meetings and attendance of the Committee members thereat were as under:

### C) COMPLIANCE OFFICER

Shri Vijay Panwar, Company Secretary of the Company is the Compliance Officer.

## D) DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS RECEIVED AND RESOLVED

Complaints pending as on April 1, 2021	Received during the year 2021-22	Resolved during the year 2021-22	Complaints pending as on March 31, 2022
1	19	20	0

The Company has designated an e-mail id viz. investors@pcjeweller.com for redressal of shareholders' / investors' complaints / grievances.

The composition of the Committee and its terms of reference are in compliance with LODR Regulations.

The terms of reference of the Committee, inter-alia, includes to formulate, monitor and review Risk Management Policy; monitor and evaluate risks and review of appointment / removal and terms of remuneration of Chief Risk Officer etc.

## IV) RISK MANAGEMENT COMMITTEE

### A) COMPOSITION AND TERMS OF REFERENCE

During the year the Committee was re-constituted and Shri Krishan Kumar Khurana, Independent Director was inducted as a member in place of Shri Kuldeep Singh, Senior Executive with effect from May 27, 2021. As at March 31, 2022, the Committee comprises of 3 Directors including 1 Independent Director. Shri Balram Garg, Managing Director is the Chairman of the Committee.

### B) MEETINGS AND ATTENDANCE

During the year 2 meetings of the Committee were held. The dates of meetings and attendance of the Committee members thereat are as under:

Name & Category	Meetings	
	July 5, 2021	January 25, 2022
Shri Balram Garg Chairman - Managing Director	√	√
Shri Ramesh Kumar Sharma Member - Executive Director	√	√
Shri Krishan Kumar Khurana Member - Independent Director	√	-

## V) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of 3 Directors including 2 Independent Directors. Dr. Manohar Lal Singla, Independent Director is the Chairman of the Committee. The composition of the Committee and its terms of reference are in compliance with the Act.

The terms of reference of the Committee, inter-alia, includes to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities and to monitor the implementation of the projects, programs and activities undertaken by the Company thereunder from time to time.

The dates of meetings and attendance of the Committee members thereat were as under:

Name & Category	Meetings	
	May 27, 2021	February 14, 2022
Dr. Manohar Lal Singla Chairman - Independent Director	√	√
Shri Krishan Kumar Khurana Member - Independent Director	√	√
Shri Ramesh Kumar Sharma Member - Executive Director	√	√

### B) MEETINGS AND ATTENDANCE

During the year 2 meetings of the Committee were held.

## VI) MANAGEMENT & FINANCE COMMITTEE

### A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of 3 Directors including 1 Independent Director. Shri Balram Garg, Managing Director is the Chairman of the Committee.



The terms of reference of the Committee, inter-alia, includes to avail financial / banking facilities; to open, close and decide the mode of operation of the Bank accounts of the Company; to open / shift etc. showrooms / factories etc. and do other necessary and ancillary acts relevant thereto; to apply for registrations, licenses, approvals etc., to approve taking on lease, hire or purchase any movable or immovable property and also to approve cancellation of lease etc.; to enter in to contracts / agreement(s) / memorandum of understanding(s) and authorise persons to sign & execute contracts, deeds, bonds, etc.; to file, contest, defend, withdraw or compromise complaints, suits, appeals, etc.; and carrying out any other functions as the Board may decide from time to time.

## B) MEETINGS AND ATTENDANCE

During the year 1 meeting of the Committee was held. The date of meeting and attendance of the Committee members thereat were as under:

Name & Category	Meeting
	July 5, 2021
Shri Balram Garg Chairman - Managing Director	√
Shri Ramesh Kumar Sharma Member - Executive Director	√
Shri Krishan Kumar Khurana Member - Independent Director	√

## INFORMATION ON GENERAL BODY MEETINGS

### I) DETAILS OF DATE, TIME AND VENUE OF LAST THREE ANNUAL GENERAL MEETINGS AND SPECIAL RESOLUTIONS PASSED THEREIN

Year	Date & Time	Venue	Special Resolution(s) passed
2020-21	September 30, 2021 at 1:00 P.M.	Through Video Conferencing / Other Audio Visual Means	1. Ratification / approval of payment of remuneration to Shri Ramesh Kumar Sharma, Whole-time Director. 2. Re-appointment of Shri Ramesh Kumar Sharma as Whole-time Director.
2019-20	August 7, 2020 at 1:00 P.M.	Through Video Conferencing / Other Audio Visual Means	None
2018-19	September 30, 2019 at 3:30 P.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003	None

### II) POSTAL BALLOT

During the year under review no special resolution was passed through Postal Ballot. Also no special resolution is proposed to be conducted through Postal Ballot on or before the 17<sup>th</sup> Annual General Meeting of the Company.

## SUBSIDIARY COMPANIES

The Company has following wholly owned subsidiaries as on March 31, 2022:

- 1) PC Universal Private Limited
- 2) Transforming Retail Private Limited
- 3) Luxury Products Trendsetter Private Limited
- 4) PCJ Gems & Jewellery Limited
- 5) PC Jeweler Global DMCC

All the subsidiaries of the Company are managed by their respective Board of Directors / management in the best

interest of the stakeholders. None of the aforesaid is a material subsidiary as defined under LODR Regulations. The requirements of LODR Regulations with regard to subsidiary companies have been complied with to the extent applicable.

The Board has formulated a Policy on Material Subsidiaries, which is available on the Company's website and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/fy-20/Policy-on-Material-Subsidiaries.pdf>

## MD / CFO CERTIFICATION

In terms of Regulation 17(8) of LODR Regulations, the Certificate by Managing Director and Chief Financial Officer of the Company for the financial year ended March 31, 2022 was placed before the Board and the same is annexed as **Annexure - 2**.



## CERTIFICATE REGARDING NON-DEBARMENT OF THE DIRECTORS

None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by Securities and Exchange Board of India (“SEBI”) / Ministry of Corporate Affairs or any such statutory authority and a certificate to this effect by M/s Kirti Dureja & Co., Company Secretaries is annexed as **Annexure - 3**.

## DISCLOSURES

### I) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

All the related party transactions entered into during the year under review were on an arm’s length basis and the Company had not entered into any related parties transactions, which could be considered as material in accordance with the Company’s Policy on Materiality of and Dealing with Related Party Transactions. Details of related party transactions have been disclosed in Note 37 of the standalone financial statements. These transactions do not have any potential conflict with the interest of the Company at large. The Policy on Materiality of and Dealing with Related Party Transactions is available on the Company’s website and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/fy-20/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transaction2.pdf>

### II) ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with the accounting principles applicable in India including Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder. The financial statements have been prepared on a going concern basis and the accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### III) DISCLOSURE ON NON-ACCEPTANCE OF ANY RECOMMENDATION OF ANY COMMITTEE BY THE BOARD WHICH IS MANDATORILY REQUIRED

There was no such instance during the year under review when the Board had not accepted any recommendation of any Committee of the Board.

## IV) DETAILS OF NON-COMPLIANCE, PENALTIES ETC. REGARDING MATTERS RELATED TO CAPITAL MARKET

There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the stock exchanges, SEBI or any other statutory authority relating to capital markets during the last three years except that the gap between two consecutive meetings of Risk Management Committee held during the year under review was more than 180 days and the Company has complied with the requirements of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019 and Regulation 24A(2) of LODR Regulations for the financial year 2020-21 after the prescribed timeline.

No penalty or stricture was imposed on the Company by any stock exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years. However, the Company has paid fine of ₹ 77,880/- to both BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) in accordance with stock exchange SOP circular for delayed compliance of Regulation 24A(2) of LODR Regulations for the financial year 2020-21. The Company has also paid a settlement amount of ₹ 19,12,500/- towards settlement of charges under SEBI settlement order dated November 5, 2019.

## V) WHISTLE BLOWER POLICY

The vigil mechanism as envisaged in the Act and LODR Regulations is implemented by the Company through Whistle Blower Policy. The Policy provides a mechanism for the Directors and employees of the Company to report about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct and leak of unpublished price sensitive information etc. and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. No personnel of the Company has been denied access to Audit Committee.

During the year under review, the Company had not received any complaint under Whistle Blower Policy and no complaint was pending as on March 31, 2022. The Policy is available on the Company’s website and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/fy-20/Whistle-Blower-Policy.pdf>

## VI) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements of corporate governance stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of LODR Regulations.



However, due to start of third wave of Covid-19 in Delhi, which disrupted the normal operations, the time gap between two consecutive meetings of Risk Management Committee held during the year exceeded 180 days. A certificate from Practising Company Secretary regarding compliance with the requirements of corporate governance is annexed with the Directors' Report.

The extent to which the non-mandatory requirements have been adopted by the Company are as under:

- a) **Shareholders Rights:** Quarterly / half yearly / annual results are published in the leading newspapers and also uploaded on the websites of the Company as well as BSE and NSE.
- b) **Modified opinion(s) in audit report:** The Company's financial statements are with modified audit opinion. However, the Company is committed to move towards a regime of financial statements with unmodified audit opinion.
- b) **Exposure of the Company to various commodities:**

Commodity Name	Exposure towards the particular commodity (₹ in crore)	Exposure in quantity terms towards the particular commodity (Kg)	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		Export Market		
			OTC	Exchange	OTC	Exchange	
Bullion (Gold)	1,863.18	3,851.46	-	-	-	-	-
Silver	8.60	1,373.60	-	-	-	-	-

- c) **Commodity risk faced by the Company during the year and how they have been managed:** The Company is exposed to price fluctuations on account of gold and silver prices and uses derivative financial instruments to manage risk associated with gold and silver price fluctuations. The hedging transaction is mainly done to protect against price risk on exposure of gold. All such derivative financial instruments are supported by an underlying stock and are not for speculation / trading. The Company is also having a Forex & Commodity Risk Management Policy in place.

#### IX) PROHIBITION OF INSIDER TRADING

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' to ensure fair and adequate disclosure of unpublished price sensitive information and 'Code of Conduct to Regulate, Monitor and Report Trading by the Insiders' to regulate, monitor

- c) **Reporting of internal auditor:** Internal auditor periodically reports to Managing Director and has direct access to Audit Committee.

#### VII) NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There have been no instances of non-compliance of any requirement of Corporate Governance Report as prescribed by LODR Regulations.

#### VIII) COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The disclosures regarding commodity risks as per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 are as under:

- a) **Total exposure of the Company to commodities:**  
₹ 1,871.78 crore

and report trading by designated persons and their immediate relatives.

The honorable Supreme Court of India vide its judgement dated April 19, 2022 set aside the orders of SEBI dated May 11, 2021 and Securities Appellate Tribunal dated October 21, 2021 against Shri Balram Garg and others in the matter of insider trading in the scrip of PC Jeweller Limited.

#### X) LOANS AND ADVANCES

Please refer Note 37 of the standalone financial statements for the financial year ended March 31, 2022 for disclosure of loans and advances in the nature of loans to firms / companies in which Directors are interested.

#### XI) DISCLOSURE IN RELATION TO THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2022.

## XII) FEES PAID TO STATUTORY AUDITORS

Total fee (including re-imburement of expenses) for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part for the financial year 2021-22 was ₹ 0.39 crore.

## XIII) DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

## GENERAL SHAREHOLDER INFORMATION

### I) ANNUAL GENERAL MEETING

Day & Date : Friday, September 30, 2022

Time : 1:00 P.M.

Venue : Meeting will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) facility.  
(Deemed Venue-Regd. Office: PC Jeweller Limited, C-54, Preet Vihar, Vikas Marg, Delhi-110092)

### II) FINANCIAL YEAR

1<sup>st</sup> April to 31<sup>st</sup> March

### III) DATE OF BOOK CLOSURE

N.A.

### IV) DIVIDEND PAYMENT DATE

The Board of the Company has not recommended any dividend for the year.

### V) LISTING ON STOCK EXCHANGES, STOCK CODE & LISTING FEE PAYMENT

The Company's equity shares are listed on the following exchanges:

Name and Address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	534809
National Stock Exchange of India Limited Exchange Plaza, C - 1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	PCJEWELLER

The Company has already paid the annual listing fee for the financial year 2022-23 to both the exchanges.

### VI) MARKET PRICE DATA

The monthly high and low prices of the equity shares of the Company at BSE and NSE during the year are as under:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2021	28.40	21.80	28.45	21.85
May, 2021	30.80	22.60	30.80	22.95
June, 2021	29.30	25.50	29.35	25.20

## MEANS OF COMMUNICATION

The financial results of the Company are submitted with BSE and NSE electronically through BSE Listing Centre and NEAPS respectively and are also available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com). The results are also published in leading newspapers i.e. Financial Express (English) and Jansatta (Hindi).

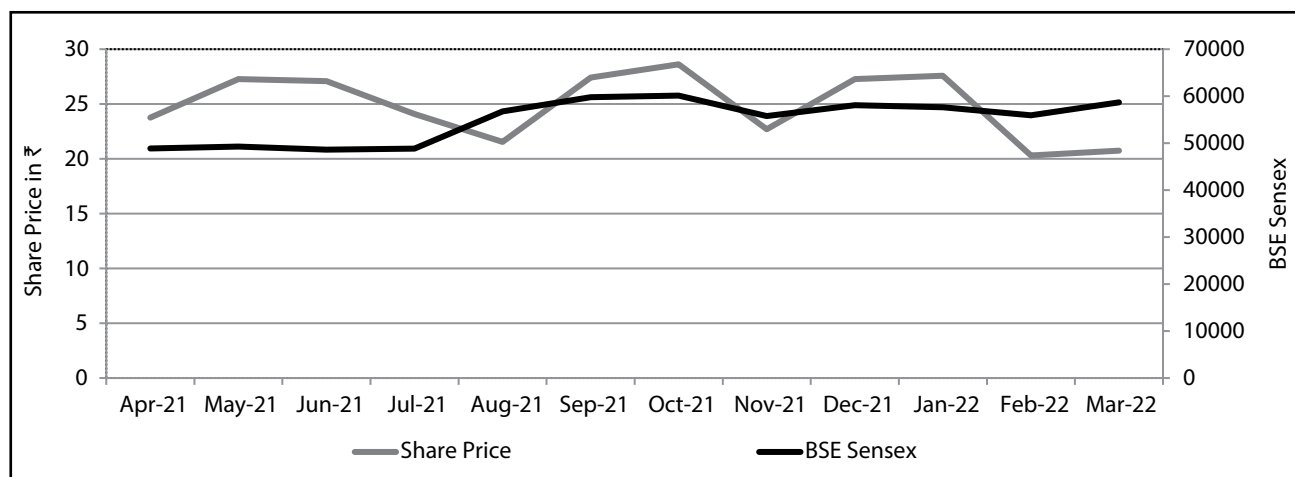
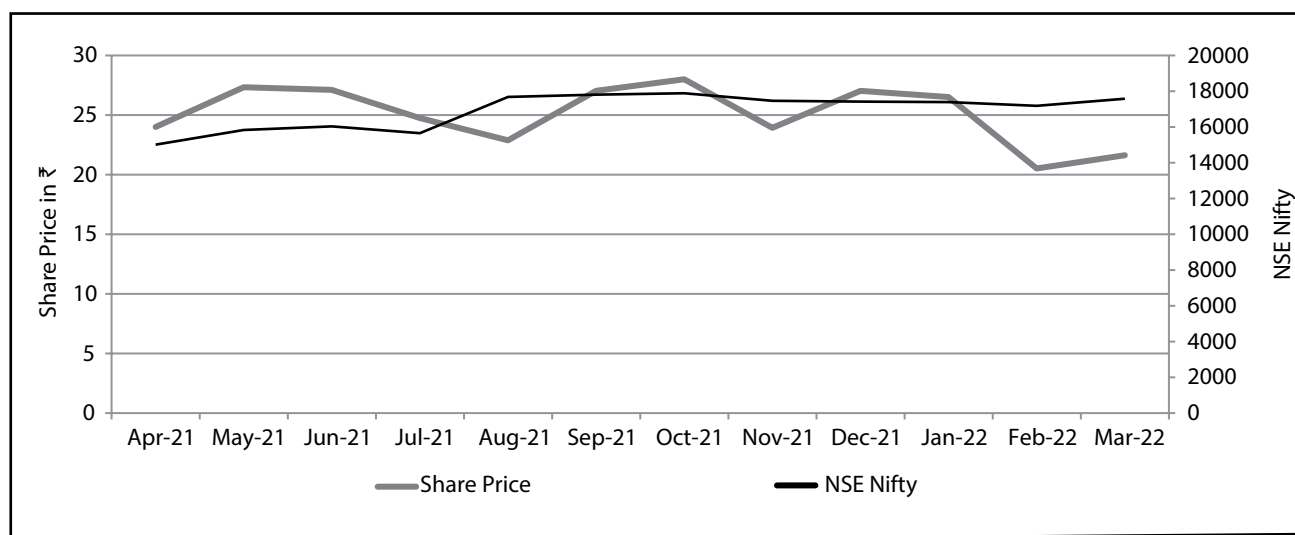
Annual Reports, notices of the meetings and other communications are sent to Members through permitted modes. Management presentations on quarterly results, quarterly shareholding patterns, Annual Reports and other important information submitted by the Company with BSE and NSE from time to time are also displayed on the Company's website under Investor section.

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July, 2021	28.35	23.80	28.40	23.65
August, 2021	26.10	19.95	26.10	19.90
September, 2021	27.65	22.45	27.70	22.50
October, 2021	30.55	24.40	30.55	24.50
November, 2021	30.10	22.05	30.15	22.00
December, 2021	28.60	22.70	28.70	22.00
January, 2022	28.50	24.05	28.55	24.60
February, 2022	27.10	18.65	27.20	18.80
March, 2022	21.60	18.80	21.65	18.55

(Source: www.bseindia.com & www.nseindia.com)

### VII) PERFORMANCE IN COMPARISON TO BROAD – BASED INDICES – BSE SENSEX AND NSE NIFTY

Performance of the Company's equity shares on BSE and NSE as compared to Sensex and Nifty during the year is as under:



## VIII) REGISTRAR AND TRANSFER AGENT

KFin Technologies Limited (Formerly KFin Technologies Private Limited) ("**KFin**")  
 Selenium Tower B, Plot No. 31 - 32, Financial District, Nanakramguda,  
 Serilingampally Mandal, Hyderabad - 500032 (Telangana)  
 Toll Free No.: 1800-309-4001,  
 E-mail: einward.ris@kfintech.com

## IX) SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of LODR Regulations, securities can be transferred only in dematerialized form w.e.f. April 1, 2019 except in case of request received for transmission or transposition of securities. In view of the same and to eliminate the risks associated with physical shares, Members are advised to dematerialize shares held by them in physical form. Transfer of shares in dematerialized mode is done only through the depositories without any involvement of the Company.

## X) TRANSFER OF UNPAID / UNCLAIMED DIVIDEND AMOUNTS / SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

The dividend amounts remaining unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account are to be transferred to Investor Education and Protection Fund ("**IEPF**") as per Section 125 of the Act. Further, the shares on which dividend remains unclaimed for 7 consecutive years are also required to be transferred to the demat account of IEPF Authority as per Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In view of the above, the Company has transferred unclaimed final dividend for financial year 2013-14 amounting to ₹ 44,636/- and 972 equity shares to IEPF during the year under review. Members, whose unclaimed dividends / shares have been transferred to IEPF can claim the same by making an application to IEPF Authority.

## XI) DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the Company as on March 31, 2022 is as under:

Number of Shares	Shareholders		Equity Shares	
	Number	% of Total	Number	% of Total
1 - 500	1,73,408	80.05	2,19,68,101	4.72
501 - 1000	19,405	8.96	1,53,89,265	3.31
1001 - 2000	11,536	5.33	1,73,37,509	3.73
2001 - 3000	4,213	1.94	1,06,95,708	2.30
3001 - 4000	2,023	0.93	72,50,589	1.56
4001 - 5000	1,458	0.67	68,38,025	1.47
5001 - 10000	2,487	1.15	1,81,30,278	3.90
10001 - 20000	1,182	0.55	1,66,74,278	3.58
20001 & above	907	0.42	35,11,20,143	75.44
<b>Total</b>	<b>2,16,619</b>	<b>100.00</b>	<b>46,54,03,896</b>	<b>100.00</b>



## XII) SHAREHOLDING PATTERN

The shareholding pattern of the Company as on March 31, 2022 is as under:

Category of Shareholders	Number of Shareholders	Number of Equity Shares	% of Shareholding
<b>A) Promoter &amp; Promoter Group</b>			
Individuals & HUF (Indian)	5	25,38,00,096	54.53
<b>Total Promoter &amp; Promoter Group Shareholding (A)</b>	<b>5</b>	<b>25,38,00,096</b>	<b>54.53</b>
<b>B) Public Shareholding</b>			
<b>1) Institutions</b>			
Financial Institutions	1	69,51,662	1.49
Foreign Portfolio Investors	24	46,45,577	1.00
<b>Sub-Total B(1)</b>	<b>25</b>	<b>1,15,97,239</b>	<b>2.49</b>
<b>2) Non-Institutions</b>			
Bodies Corporate	332	1,22,38,924	2.63
Individuals & HUF	2,14,851	18,03,07,869	38.75
Non Resident Indians	943	41,50,247	0.89
Non Resident Indians Non-Repatriable	375	15,48,013	0.33
Clearing Members	86	17,56,876	0.38
NBFC	1	2,200	0.00
IEPF	1	2,432	0.00
<b>Sub-Total B(2)</b>	<b>2,16,589</b>	<b>20,00,06,561</b>	<b>42.98</b>
<b>Total Public Shareholding B=B(1)+B(2)</b>	<b>2,16,614</b>	<b>21,16,03,800</b>	<b>45.47</b>
<b>Grand Total (A+B)</b>	<b>2,16,619</b>	<b>46,54,03,896</b>	<b>100.00</b>

## XIII) DEMATERIALIZATION OF SHARES AND LIQUIDITY

The equity shares of the Company are traded in dematerialized form and are available for trading on both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2022 total of 46,54,02,986 equity shares constituting almost 100% of the issued, subscribed and paid-up equity share capital of the Company are held in dematerialized form in the following manner:

Name of the Depository	Number of Equity Shares	% of Shareholding
National Securities Depository Limited	11,35,20,710	24.39
Central Depository Services (India) Limited	35,18,82,276	75.61

## XIV) OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

No GDRs / ADRs / Warrants or any convertible instruments have been issued by the Company during the year under review and nothing is outstanding as on March 31, 2022.

## XV) CREDIT RATINGS

The credit ratings held by the Company during the year under review are as under:

Agency	Instrument	Date	Rating
CRISIL Limited	Fund-based & non fund-based bank facilities	July 29, 2021	CRISIL D, Issuer not cooperating
CARE Ratings Limited	Fixed deposit programme	March 26, 2022	CARE D (FD), Issuer not cooperating

## XVI) PLANT LOCATIONS

The Company's manufacturing units are located at:

- 1) Plot No. 65, Noida Special Economic Zone, Noida (Uttar Pradesh)
- 2) 142A/3, Noida Special Economic Zone, Noida (Uttar Pradesh)
- 3) First Floor, Plot No. 65, Noida Special Economic Zone, Noida (Uttar Pradesh)
- 4) J - 59, Sector - 63, Noida (Uttar Pradesh)

## XVII) ADDRESS AND CONTACT DETAILS FOR CORRESPONDENCE

PC Jeweller Limited  
Regd. Office: C - 54, Preet Vihar, Vikas Marg, Delhi - 110092  
Tel: 011 - 49714971, Fax: 011 - 49714972  
E-mail: investors@pcjeweller.com  
Website: www.pcjeweller.com

**Annexure – 1****DECLARATION BY THE MANAGING DIRECTOR**

[Under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors,  
PC Jeweller Limited  
C – 54, Preet Vihar,  
Vikas Marg, Delhi - 110092

I, Balram Garg, Managing Director of the Company hereby confirm that all the members of the Board of Directors and Senior Management of the Company have affirmed compliance with '**Code of Conduct for Directors and Senior Management**' for the financial year ended March 31, 2022.

For **PC Jeweller Limited**

Sd/-

(BALRAM GARG)

**Managing Director**

DIN: 00032083

Date: April 20, 2022

Place: New Delhi



## MD / CFO CERTIFICATE

To,  
The Board of Directors,  
PC Jeweller Limited  
C – 54, Preet Vihar,  
Vikas Marg, Delhi - 110092

### **Sub.: Compliance certificate pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, Balram Garg, Managing Director and Sanjeev Bhatia, Chief Financial Officer of PC Jeweller Limited ('the **Company**'), hereby certify that:

- a) We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2022 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee that there are no deficiencies in the design or operation of such internal controls.
- d) We have indicated to the auditors and Audit committee that:
  - i) there are no significant changes in internal control over financial reporting during the year;
  - ii) there are no significant changes in accounting policies during the year; and
  - iii) there are no instances of significant fraud of which we have become aware.

For **PC Jeweller Limited**

Date: 30/05/2022  
Place: New Delhi

Sd/-  
(SANJEEV BHATIA)  
**Chief Financial Officer**

Sd/-  
(BALRAM GARG)  
**Managing Director**  
DIN: 00032083



### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
PC Jeweller Limited  
C - 54, Preet Vihar, Vikas Marg,  
Delhi – 110092

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PC Jeweller Limited (CIN: L36911DL2005PLC134929) having its registered office at C - 54, Preet Vihar, Vikas Marg, Delhi – 110092 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of 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 us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as mentioned below as on 31<sup>st</sup> March, 2022 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	DIN	Initial date of appointment
1	Mr. Balram Garg	00032083	13/04/2005
2	Shri Krishan Kumar Khurana	00253589	20/09/2011
3	Shri Ramesh Kumar Sharma	01980542	07/02/2014
4	Shri Miyar Ramanath Nayak	03352749	07/02/2014
5	Dr. Manohar Lal Singla	03625700	20/09/2011
6	Shri Suresh Kumar Jain	05103064	19/09/2015
7	Mrs. Sannovanda Swathi Machaiah	06952954	19/01/2018

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our 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.

For **Kirti Dureja & Co.,**  
Company Secretaries

Date: August 8, 2022  
Place: Faridabad

Sd/-

Kirti Dureja

**Practicing Company Secretary**

Membership No. A38334, C.P. No. 16865

Peer review no.: 2049/2022

UDIN: A038334D000763509

## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY OVERVIEW

Gems and Jewellery (G&J) industry plays a vital role in the Indian economy as it is one of the largest exporters of the country and also provides employment to a very large number of artisans. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. The skills of Indian karigars has ensured that it remains the top most country in the world in the field of hand made gold jewellery as well as cutting and polishing of diamonds.

G&J industry comprises of gold, diamond and silver jewellery as well as precious and semi-precious gemstones etc. G&J industry is extremely export oriented and labour intensive. Majority of gold jewellery manufactured in India is used for domestic consumption, however, major portion of polished diamonds or finished diamond jewellery is exported.

### Industry Data

During April 2021– March 2022, G&J exports increased by 10.44% to US\$ 39.31 billion as compared to pre-covid levels of exports of US\$ 35.60 billion registered during April 2019 - March 2020. G&J exports rose by 54.13 % during April 2021 – March 2022 as compared to US\$ 25.50 billion recorded during same period last year.

During April 2021 – March 2022, Cut and Polished Diamonds (+29.85%), Silver Jewellery (+61.49%), Studded gold Jewellery (+60.01%) and polished lab grown diamonds (+210.69%) witnessed a positive export growth while the exports of plain gold jewellery (-55.29%), Coloured Gemstones (-2.92%) recorded a negative export growth rate as compared to April 2019 – March 2020.

Imports of rough diamonds, rough lab grown diamonds and silver bar also registered a positive import growth in April 2021 - March 2022 as compared to import levels registered in April 2019 – March 2020. It indicates continued production activities pertaining to making polished diamonds, lab grown diamonds and silver jewellery.

In addition to gold and gold jewellery, India has also emerged as one of the most important rough diamonds cutting & polishing centre of the world. India delivers 90% of the world's cut & polished diamonds and 95% of the world's cutters are in India.

Among the top 10 export destinations, G&J exports to UAE has witnessed the highest fall followed by Japan, Belgium and Hong

Kong during April 2021 – March 2022 as compared to April 2019 – March 2020. While, G&J exports to other destinations such as USA, Israel, Thailand, Singapore, UK and Netherland have shown a rise during the stated time period.

### Growth drivers or factors which have driven / obstructed exports of the following key commodities are briefly described here under:

- Cut and Polished Diamonds (+29.85%) - The positive growth trend of the diamond industry is fueled by the strong demand for rough diamonds amid continuing geo-political tensions and sanctions imposed on Russia, steady recovery in key export destinations such as USA, Europe, Israel, among others, resilient consumer and business sentiment, easing of almost all Covid-19 restrictions pertaining to manufacturing in the domestic market. However, the outlook for diamond remains uncertain with concerns rose about Russian sanctions, inflation, supply chain issues etc.
- Studded Gold Jewellery (+60.01%) - Studded gold jewellery recorded a positive growth with continued positive sentiment for the diamond industry and strong consumer demand in key export destinations. The outlook for the studded gold jewellery remains positive with the upcoming domestic and international trade shows like IJJS Premiere 2022 and the signing of India - Australia ECTA, which is one of the India's key export markets for studded gold jewellery.
- Silver Jewellery (+61.49%) – Silver jewellery exports registered a positive growth on account of improving consumer sentiment, increase in silver physical demand and removal of Covid-19 restrictions. The volatility in gold prices, decline in consumer income due to tightening of monetary policies in key economies and elevated inflationary pressures are the other growth drivers of the silver jewellery.
- Plain gold Jewellery (-55.29%) - The plain gold jewellery exports recorded a negative growth on account of subdued manufacturing activity amid the Omicron wave, drop in customer purchases, sharp rise in gold prices and weakened consumer sentiment due to the external geo-political conflict. However, the inauguration of India Jewellery Exposition (IJEX) Centre in Dubai for sourcing Indian jewellery in Dubai, official unveiling of the India-UAE CEPA agreement and upcoming trade shows is expected to revive the exports.



## SEGMENT WISE PERFORMANCE

The Company is engaged in the business of manufacturing, sale and trading of jewellery. It offers wide range of jewellery including 100% hallmarked gold jewellery.

Based on the geographical areas, the Company was having two operating segments i.e. domestic sales and export sales during the year under review. The segment wise revenue, results, assets and liabilities of the Company as on March 31, 2022 on standalone basis are as under:

(₹ in crore)	
Particulars	Amount
<b>Segment Revenue:</b>	
Net sales/income from the segment	
a) Exports	195.83
b) Domestic	1,378.22
<b>Total income from operations</b>	<b>1,574.05</b>
<b>Segment Results:</b>	
Profit/(loss) before tax and interest from each segment	
a) Exports	(139.73)
b) Domestic	71.69
<b>Total profit/(loss) before finance cost and unallocable expenditure</b>	<b>(68.04)</b>
<b>Less:</b>	
a) Finance costs	427.45
b) Unallocable expenses, net	12.66
<b>Net profit/(loss) before tax</b>	<b>(508.15)</b>
<b>Segments assets:</b>	
a) Exports	1,335.65
b) Domestic	7,256.42
c) Unallocable	411.33
<b>Total segment assets</b>	<b>9,003.40</b>
<b>Segment liabilities:</b>	
a) Exports	1,476.17
b) Domestic	3,509.81
c) Unallocable	133.63
<b>Total segment liabilities</b>	<b>5,119.61</b>

## OPPORTUNITIES AND THREATS

The jewellery sector of the country continues to remain poised for growth on account of India's demographics and increasing urbanisation as well as income levels.

Gold has a central role in the country's culture, considered a store of value, a symbol of wealth and status and a fundamental part of many rituals. Among the country's rural population, a deep affinity for gold goes hand in hand with practical considerations of the portability and security of jewellery as an investment.

Gold is considered to be auspicious, particularly in Hindu and Jain cultures. The ancient law-giver Manu decreed that gold ornaments should be worn for important ceremonies and occasions. Aside from Diwali, one of the most important dates in the Indian calendar, regional festivals across the country are celebrated with gold: in the south, Akshaya Tritiya, Pongal, Onam and Ugadi; in the east, Durga Puja; in the west, Gudi Padva; in the north, Baisakhi and Karva Chauth.

Gold is central to more personal life events too. Gifting gold is a deeply ingrained part of marriage rituals in Indian society. Weddings generate approximately 50 percent of annual gold demand in India.

The traditional demand for jewellery for special occasions like weddings and festivals continues to remain strong. India not only has a large population in absolute numbers but has a high percentage of population in the younger age group which ensures that a large number of marriages continue to happen every year. As per a rough estimate approximately 10 million marriages take place every year in India, which ensures a substantial expenditure on jewellery and related items.

In addition to the conventional purchases at the time of weddings and festivals, jewellery has also become a life style and fashion accessory, especially among the urban working class women. The demand for jewellery is seen to be increasing amongst the younger generations also. Now even the conventional men accessories like cuff links, tie pins etc. are also becoming bejewelled and any progressive jewellery company needs to be in a position to cater to all the different consumer demands. Further, rising quality awareness of customers has also provided a fillip to the organized retail segment, which is banking on its 'reliability' and 'quality' to compete against the highly fragmented unorganized jewellers.

The Company has its own designer team as well as manufacturing facilities and hence is able to create new designs and new varieties of jewellery items to cater to changing consumer demands and gets regular consumer footfalls. In addition instead of only wedding jewellery which was the main stay till a few years ago, the Company has also increased the range and variety of jewellery available in its showrooms so that it can cater to all age groups, all price points and all occasions.

The Company does not perceive any major or predictable threats except that the retail jewellery is already a working capital intensive business and the demand for jewellery is now increasing beyond the traditional gold jewellery. The working capital cycle of gold jewellery is much smaller vis-a-vis that of diamond jewellery which now constitutes an important part of any jeweller's inventory. Though the diamond jewellery has higher margins it

also has a much longer cash conversion cycle vis-a-vis gold and all of these factors have only increased the working capital intensity of the jewellery business.

## OUTLOOK

India's G&J market is anticipated to project robust growth in the forecast period FY 2022-27, with a CAGR of 8.34% on account of changing lifestyle, rising disposable income, changing consumer preferences of branded jewellery products and growing urbanization. Other major factors such as product innovation and technological advancements, the introduction of new jewellery segments by market players such as men's jewellery, costume jewellery, lightweight jewellery etc., are anticipated to further drive the growth of the India's G&J market in the upcoming five years.

Gold is a significant component of the country's culture, serving as a symbol of wealth and prestige, a store of value and an essential factor of numerous celebrations. Gemstones are also making a big contribution to the shifting fashion trends, particularly among the elite and upper-middle classes. The G&J industry represents approximately 7% of GDP and 10% to 12% of total goods exports in the country.

Diamond and platinum jewellery has become a fashion statement among India's rich people to set them apart from others who wear traditional jewellery. India is the world's largest gold and silver consumer. India is also one of the world's major silver importers and the world's largest diamond cutting and polishing center. In India, there is a growing demand for diamond and platinum jewellery due to increased awareness of new exquisite designs and branded items.

The rapid increase in family members' combined earnings is resulting in higher disposable income for consumers, significantly increasing their spending power. As a result, an increasing number of consumers nowadays are unwilling to compromise product quality regardless of cost and prefer to purchase various types of authentic gems and jewellery available in the market. Moreover, the rising disposable income levels have increased the purchasing power of consumers, which has resulted in an improved standard of living. Furthermore, the education levels of women have risen in India, leading to an increase in the ratio of women in the workforce and providing them more purchasing power. Such factors are positively influencing the G&J market of India.

G&J in the country are often associated with luxury gift items. Thus, increasing instances of festival gift exchanges and changing consumer preferences toward celebration presents for their families and friends are also driving the growth of the Indian G&J market in the upcoming five years. Surging demand for branded

jewellery products and assurance of the authentic and pure form of the luxury metal and gems in the jewellery is also supporting the growth of the Indian G&J market in the next five years.

The Government of India is also continuously coming up with various initiatives in order to encourage the growth of the G&J sector of India. Mandatory hallmarking of gold jewellery and artefacts is one of them, which will further boost the organised jewellery sector.

## RISKS AND CONCERNS

Relatively long operating cycle and working capital intensive nature of the business is an inherent characteristic of the G&J industry.

The ongoing Russia - Ukraine conflict is expected to have an adverse impact on the diamond industry by disrupting the supply of rough diamonds used for manufacturing finished products.

The rising inflation, declined consumer income and onset of 4<sup>th</sup> Covid wave in some countries are other factors that could subdue the growth of the sector.

The sales of the Company have been also affected in the last two years on account of Covid-19 induced lock downs and income losses. However, the market has started to recover and the Company continues to remain confident of the long term sustainability of the jewellery business in India.

The Company is also exposed to price risk movements both in gold as well as its forex exposure. However, it has put systems and procedures in place to take care of these concerns.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has effective internal control systems in place, which are regularly reviewed by independent internal auditor of the Company and their reports are periodically reviewed by Audit Committee.

The Company also undergoes a rigorous audit process along with other items for stock, cash etc. at stipulated intervals by statutory auditor, stock auditor appointed by the Bank and internal auditor.

The Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. Based on the assessment carried out by an independent agency and evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has adequate internal controls over financial reporting that are operating effectively as of March 31, 2022.



## FINANCIAL PERFORMANCE

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('IND AS') specified under Section 133 of the Companies Act, 2013 and the applicable Rules, as amended from time to time and other applicable provisions.

During the year under review, the revenue from operations of the Company on standalone basis declined from ₹ 2,669.34 crore to

₹ 1,574.05 crore as compared to previous year, mainly on account of restriction in operations and liquidity constraints after the Company's bank accounts becoming NPA. Consequently, the Company incurred net loss of ₹ 389.60 crore against net profit of ₹ 60.84 crore during previous year.

The highlights of standalone financial performance of the Company during the year under review as compared to previous year are as under:

(₹ in crore except earnings per share)

Particulars	2021-22	2020-21
Revenue from operations	1,574.05	2,669.34
Other income	59.51	30.67
Total revenue	1,633.56	2,700.01
Total expenses	2,141.71	2,695.60
Profit/(loss) before tax	(508.15)	4.41
Tax expense	(118.55)	(56.43)
Net profit/(loss) after tax	(389.60)	60.84
Total comprehensive income/(loss)	(389.23)	61.42
Earnings per equity share (₹)		
- Basic	(8.37)	1.50
- Diluted	(8.37)	1.50

## KEY FINANCIAL RATIOS

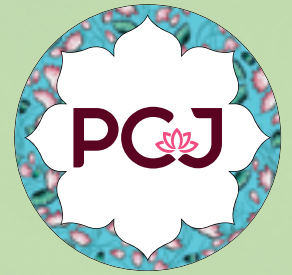
Details of key financial ratios of the Company, changes therein as compared to previous financial year alongwith explanations for those ratios where change is 25% or more are as under:

Key Ratios	Units	2021-22	2020-21	% Change	Explanations
Current Ratio	Times	1.96	2.11	(7.11)	NA
Debt Equity Ratio	Times	0.85	0.74	14.86	
Debtors Turnover	Times	1.19	1.73	(31.21)	The Company's turnover declined significantly during FY 2021-22 on account of Covid-19 resurgence as well its accounts turning NPA, which affected its business operations very adversely. The resultant business loss as well as additional non-cash expense of ECL provision amounting to ₹ 188.07 crore have adversely affected the Company's financial parameters.
Inventory Turnover	Times	0.28	0.48	(41.67)	
Interest Coverage Ratio	Times	(0.16)	1.01	(115.84)	
Operating Profit Margin	%	(4.50)	14.91	(130.18)	
Net Profit Margin	%	(24.75)	2.28	(1,185.53)	
Return on Net Worth	%	(10.03)	1.42	(806.34)	

## HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company recognises its employees as its principal asset and believes in establishing and building a strong performance and competency driven culture amongst its employees with greater sense of accountability and responsibility. The Company ensures a safe, conducive and productive environment to enhance employee productivity. As on March 31, 2022 the Company had total of 1,416 full time employees. Throughout the year, the industrial relations within the Company have remained harmonious.

**References** - Various industry reports and websites including GJEPC, CRISIL, CARE, IBEF etc.



# **STANDALONE FINANCIAL STATEMENTS**



*F*  
*S*



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PC JEWELLER LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

1. We have audited the accompanying standalone financial statements of **PC Jeweller Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone 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 ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

3. As explained in Note 51 to the accompanying standalone financial statements, the Company during the financial year ended 31 March 2019 had provided discounts of ₹ 513.65 crore to its export customers which had been adjusted against the revenues for the said year. The Company had initiated the process of complying with the requirements of the Master Circular on Exports of Goods and Services issued by the Reserve Bank of India and had filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. Subsequently, the Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 323.07 crore. For the remaining discounts of ₹ 190.58 crore, in the absence of requisite approvals and material evidence related to such

transactions, we are unable to comment on the impact, if any, of the same on the accompanying standalone financial statements. Auditor's Opinion for the year ended 31 March 2019, 31 March 2020 and 31 March 2021 were also modified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, 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 obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matters

5. We draw attention to Note 52 to the accompanying standalone financial statements regarding the delays in receipt of proceeds denominated in foreign currency against export of goods made by the Company to its overseas customers aggregating to ₹ 1574.17 crores as on 31 March 2022, beyond the timelines stipulated under the Foreign Exchange Management Act, 1999. The management of the Company has filed the necessary applications with the appropriate authority for condonation of such delays to regularize the default. Pending condonation of such delay by the appropriate authority, management is of the view that the possible penalties that may be levied, are currently unascertainable but would not be material and accordingly, no consequential adjustments have been made to the accompanying standalone financial statements with respect to such delay/default.
6. We draw attention to Note 50 to the accompanying standalone financial statements, which describes the uncertainties and management's assessment of the impact of the COVID 19 pandemic on the operations and financial statements of the Company. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the financial position and performance of the Company is significantly dependent on the future developments as they evolve.



7. We draw attention to Note 53 to the accompanying standalone financial statements regarding impairment assessment of company's total exposure in its subsidiaries in the form of investments and receivables (loans, interest accrued and trade receivables). The management of the Company has carried out the impairment assessment using the 'Discounted Cash Flow Valuation Model', which is complex and involves the use of significant management estimates and assumptions that are dependent on expected future market and economic conditions and accordingly recognized additional provision for impairment amounting to ₹ 4.86 crores in respect of exposure in PC Universal Private Limited in the standalone financial statements of the Company.

Our opinion is not modified in respect of the above matters.

## Key Audit Matters

8. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
9. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Existence and valuation of inventory</b></p> <p>The Company has an inventory balance of ₹ 5,516.22 crore as at 31 March 2022, as disclosed in Note 10 of the accompanying standalone financial statements. Refer Note 3(j) for the corresponding accounting policy adopted by the management with respect to the inventory balance.</p> <p>The Company purchases gold from nominated agencies prescribed by Reserve Bank of India. Further, the Company also purchases gold and diamonds from institutional parties and from the customers as per the exchange schemes announced by the Company.</p> <p>With respect to existence of inventory as at year end, there is an inherent risk of loss from theft or possible malafide intent, due to the high intrinsic value and portable nature of individual inventory items.</p> <p>In addition to the physical verification performed by the management with the help of an independent professional gemologist, the lenders of the Company also conduct stock counts with the help of their appointed independent gemologists.</p> <p>With respect to valuation of the inventory, the Company categorizes diamonds purchased into the respective cost categories defined by the management based on price bands and other physical characteristics of the diamonds.</p> <p>Considering the complexities involved, portable nature of diamonds, high inherent risk and high level of estimation uncertainty involved in valuation of the inventory, the existence and valuation of inventory has been determined as key audit matter for the current year audit.</p>	<p>Our audit work in relation to the existence and valuation of inventory included, but was not limited to, performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process for physical verification, recognition and measurement of purchase cost of gold, diamonds and manufactured jewellery items.</li> <li>• Evaluated the design and tested the operating effectiveness of controls implemented by the Company with respect to such process including controls around safeguarding the high value inventory items.</li> <li>• Assessed the appropriateness of accounting policy and management valuation methodology adopted by the management.</li> <li>• On a sample basis, tested invoices and other underlying records to validate the costs and characteristics basis which the inventory is categorized for inventory management and valuation.</li> <li>• Obtained the physical verification records performed by the management as at the year end.</li> <li>• Performed independent test counts for certain locations subsequent to year-end and other safeguarding procedures, and performed roll-back procedures, to corroborate management counts and valuation based on management categorization, with the help of an independent professional gemologist.</li> <li>• On a sample basis, tested samples of inventory sold near year-end to corroborate management's assessment of net realizable value of closing inventory balance.</li> <li>• Obtained valuation report from independent Gemologist to corroborate management's assessment of net realizable value of closing inventory balance of Diamonds.</li> <li>• Evaluated disclosures made in the accompanying financial statements for appropriateness and adequacy in accordance with the requirements of the accounting standards.</li> </ul>



### **Information other than the Standalone Financial Statements and Auditor's Report thereon**

10. The Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is to be made available to us after the date of the auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of audit, or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

### **Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements**

11. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

12. In preparing the standalone 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.

13. The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

14. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.
- 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)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference

to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
  - 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 standalone 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.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. 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.
17. 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.
18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

19. As required by section 197(16) of the Act, based on our audit and to the best of our information and according to the explanations given to us, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limit prescribed under Schedule V of the Act.
20. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
21. As required by Section 143(3) of the Act, we report that:
- (a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - (b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - (d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - (e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;
  - (g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per "**Annexure B**" expressed unmodified opinion; and



- (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, as detailed in Note 44 to the standalone financials statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31 March 2022.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries")
    - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the company.

**For Arun K Agarwal & Associates**

Chartered Accountants

(Firm's Registration No. 003917N)

Sd/-

**Arun Kumar Agarwal**

(Partner)

M. No. 082899

UDIN: 22082899AJVTCX7574

Place: New Delhi

Date: 30.05.2022

# PC JEWELLER LIMITED

## Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweller Limited, on the standalone financial statements for the year ended 31 March 2022

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- i. (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ("PPE") and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The PPE and right-to-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the PPE and right-to-use assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with the third parties, at the year-end, written confirmations have been obtained by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory was noticed.
- (b) Company has been sanctioned working capital limits in excess of rupees five crore, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company except the variances listed below. (Refer Note 54(d) to the standalone financials statements)

(Amount in ₹ crores)

Particulars	Amount as per statements submitted to bankers	Amount as per books of accounts	Differences in Amount	Differences in %
<b>Inventory</b>				
Qtr. ended June 2021	5,709.78	5,779.98	-70.20	-1.23%
Qtr. ended Sep. 2021	5,604.91	5,600.31	4.60	0.08%
Qtr. ended Dec. 2021	5,534.79	5,542.46	-7.67	-0.14%
Qtr. ended Mar 2022	5,518.79	5,516.23	2.56	0.05%
<b>Sundry Receivables</b>				
Qtr. ended June 2021	1,310.66	1,321.16	-10.50	-0.80%
Qtr. ended Sep. 2021	1,497.71	1,511.14	-13.43	-0.90%
Qtr. ended Dec. 2021	1,498.54	1,507.68	-9.14	-0.61%
Qtr. ended Mar 2022	1,490.44	1,346.58	143.86	9.65%

- iii. During the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii)(a), (b) & (f) of the Order is not applicable.

- (c) In respect of loans granted by the company in earlier years to its 2 subsidiary companies having outstanding balance of ₹ 159.47 crores and other staff advances having outstanding balance of ₹ 3.04 crores as at the balance sheet date, in absence of specific schedule of repayment of principal and payment of interest, we are

unable to comment on the regularity of repayment of principal & payment of interest in such cases. In case of other loan granted by the company in earlier years, repayment of principal is not due as at the balance sheet date.

- (d) & (e) As mentioned in above clause, in absence of specific schedule of repayment of principal and payment of interest, we are unable to comment on the amount overdue for more than 90 days as at the balance sheet date as per clause 3(iii)(d) and amount fallen due during the year as per clause 3(iii)(e) of the Order.
- iv. In our opinion, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the grant of loan and making investment. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
- v. In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted, except for the compliance of the requirements of section 73(2) (c) of the Act where the amount maintained by the Company in a separate Deposit Repayment Reserve Account with a scheduled bank, as at 31 March 2022 is short by ₹ 1.39 crores. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii. (a) Undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Nature of the dues	Amount (₹ in crore)	Period to which amount relates	Due Date	Date of Payment
Income-tax Act, 1961	Income-tax (including interest)	105.34	AY 2018-19	15.03.2018	Not yet paid

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2022 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount (₹ in crore)	Paid under Protest (₹ in crores)	Period to which it pertains	Forum at which case is pending
Income-tax Act, 1961	Income-tax	0.19	-	AY 2009-10	Income-tax Appellate Tribunal
		0.23	-	AY 2017-18	CIT (Appeals)
Customs Act, 1962	Custom duty	2.43	2.43	FY 2010-11	Principal Commissioner of Customs, New Delhi
Rajasthan Value Added Tax Act, 2003	Value added tax	0.05	-	FY 2010-11	The Rajasthan High Court
		0.44	-	FY 2011-12	
		0.50	-	FY 2012-13	
		2.73	-	FY 2013-14	
		2.31	-	FY 2014-15	
		2.21	-	FY 2015-16	

- viii. As informed to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has defaulted in repayment of loans (including interest) to its Bankers in respect of ₹ 3278.40 Crores as on 31 March 2022. Refer Note 19 to the standalone financial statements. The lender wise details are tabulated as under:

Nature of borrowing, including debt securities	Name of lender	Amount of Default ₹ in crores	Whether principal or interest	Period of Default	Remarks, if any
Working Capital Loans, Cash Credit Facilities and SBLC Devolvement Funded Interest Term Loan	Punjab National Bank	478.69	Principal and Interest	Ranging between 1 to 730 days as on 31.03.2022	Classified as Non- Performing Assets with all the banks
	State Bank of India	1060.07			
	Union Bank of India	530.00			
	Indian Bank	226.41			
	Bank of India	197.72			
	Indian Overseas Bank	194.01			
	IDBI BANK	95.59			
	Bank of Baroda	47.65			
	Axis Bank	51.45			
	IDFC	58.90			
	Canara Bank	167.20			
	KVB Bank	27.61			
	IndusInd Bank	22.76			
Kotak Bank	120.34				

- (b) As informed to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) Term loans were applied for the purpose for which the loans were obtained;
- (d) Based on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) Based on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) As informed to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable
- xi. (a) No material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As informed, no whistle blower complaints have been received by the Company during the year.
- xii. In our opinion, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and requisite details of such transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.



- xv. As informed to us, 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. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, paragraph 3(xvi) (d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of ₹ 407.21 crores during the financial year covered by our audit. However no cash losses were incurred during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, except overdue portion of company's borrowing accounts for which the Company has applied for resolution plan and its proposal is under consideration with the lenders, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance in relation to the said reporting.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) Details of unspent amount towards CSR under sub-section (5) of section 135 of the Act, pursuant to ongoing project is given below. Refer Note 46 to the standalone financial statements.

(Amount in ₹ crores)

Relevant Financial Year	Amount identified for spending on CSR activities for ongoing project	Unspent Amount	Amount Transferred to Special Account till the date of our report	Due date of transfer to the account	Actual date of transfer to the account	No. of days of delay
2020-21	6.50	6.50	Nil	30.04.2021	Not yet paid	Not yet paid
2021-22	0.94	0.94	Nil	30.04.2022		

**For Arun K Agarwal & Associates**

Chartered Accountants

(Firm's Registration No. 003917N)

Sd/-

**Arun Kumar Agarwal**

(Partner)

M. No. 082899

UDIN: 22082899AJVTCX7574

Place: New Delhi

Date: 30.05.2022



## **Annexure B to the Independent Auditor's Report of even date to the members of PC Jeweller Limited, on the standalone financial statements for the year ended 31 March 2022**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **PC JEWELLER LIMITED** ("the company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls 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 ('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 the Company's business, including adherence to the 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 Act.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to



future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial control 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.

#### **For Arun K Agarwal & Associates**

Chartered Accountants

(Firm's Registration No. 003917N)

Sd/-

#### **Arun Kumar Agarwal**

(Partner)

M. No. 082899

UDIN: 22082899AJVTCX7574

Place: New Delhi

Date: 30.05.2022

# STANDALONE BALANCE SHEET

AS AT 31 MARCH 2022

(₹ in crore)

		Notes	As at 31 March 2022	As at 31 March 2021
<b>A</b>	<b>Assets</b>			
<b>1</b>	<b>Non-current assets</b>			
	a) Property, plant and equipment	4	25.98	32.50
	b) Right-of-use assets	45	80.59	92.91
	c) Other intangible assets	4	0.89	1.00
	d) Financial assets			
	i) Investments	5	133.93	136.25
	ii) Loans	6	129.84	156.05
	iii) Other financial assets	7	0.15	2.38
	e) Deferred tax assets (net)	8	150.71	51.21
	f) Other non-current assets	9	7.76	9.73
	<b>Total non-current assets</b>		<b>529.85</b>	<b>482.03</b>
<b>2</b>	<b>Current assets</b>			
	a) Inventories	10	5,516.22	5,793.72
	b) Financial assets			
	i) Investments	11	2.48	8.06
	ii) Trade receivables	12	1,346.58	1,305.33
	iii) Cash and cash equivalents	13	20.80	54.51
	iv) Bank balance other than (iii) above	14	36.82	119.80
	v) Loans	6	36.36	34.38
	vi) Other financial assets	7	0.02	0.02
	c) Other current assets	9	48.68	66.05
	<b>Total current assets</b>		<b>7,007.96</b>	<b>7,381.87</b>
	<b>Total assets</b>		<b>7,537.81</b>	<b>7,863.90</b>
<b>B</b>	<b>Equity and Liabilities</b>			
<b>1</b>	<b>Equity</b>			
	a) Equity share capital	15	465.40	465.40
	b) Other equity	16	3,418.39	3,809.94
	<b>Total equity</b>		<b>3,883.79</b>	<b>4,275.34</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non-current liabilities</b>			
	a) Financial liabilities			
	i) Borrowings	17	-	0.32
	ii) Lease liabilities	45	77.75	90.43
	b) Provisions	18	4.42	4.62
	<b>Total non-current liabilities</b>		<b>82.17</b>	<b>95.37</b>
<b>3</b>	<b>Current liabilities</b>			
	a) Financial liabilities			
	i) Borrowings	19	3,282.69	2,293.82



(₹ in crore)

	Notes	As at 31 March 2022	As at 31 March 2021
ii) Lease liabilities	45	30.09	29.54
iii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		0.45	0.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises		14.95	919.71
iv) Other financial liabilities [other than those specified in item (c)]	21	38.29	55.82
b) Other current liabilities	22	76.17	63.68
c) Provisions	18	2.40	2.25
d) Current tax liabilities (net)	23	126.81	127.85
<b>Total current liabilities</b>		<b>3,571.85</b>	<b>3,493.19</b>
<b>Total liabilities</b>		<b>3,654.02</b>	<b>3,588.56</b>
<b>Total equity and liabilities</b>		<b>7,537.81</b>	<b>7,863.90</b>

Notes 1 to 54 form an integral part of these standalone financial statements.

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

For and on behalf of the Board of Directors

**For Arun K Agarwal & Associates**

Chartered Accountants

Firm's Registration No.: 003917N

Sd/-

**Arun Kumar Agarwal**

Partner

Membership No. 082899

Sd/-

**Ramesh Kumar Sharma**

Executive Director

DIN-01980542

Sd/-

**Vijay Panwar**

Company Secretary

Membership No. A19063

Sd/-

**Balram Garg**

Managing Director

DIN-00032083

Sd/-

**Sanjeev Bhatia**

Chief Financial Officer

Place: New Delhi

Date: 30 May 2022

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2022

			(₹ in crore)	
		Notes	Year ended 31 March 2022	Year ended 31 March 2021
1	Revenue from operations	24	1,574.05	2,669.34
2	Other income	25	59.51	30.67
3	<b>Total income (1+2)</b>		<b>1,633.56</b>	<b>2,700.01</b>
4	<b>Expenses</b>			
	a) Cost of materials consumed	26	1,046.38	2,954.41
	b) Purchases of stock-in-trade	27	41.12	13.60
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	290.65	(828.90)
	d) Employee benefits expense	29	45.47	40.55
	e) Finance costs	30	437.37	393.68
	f) Depreciation and amortisation expenses	31	26.24	33.26
	g) Other expenses	32	254.48	89.00
	<b>Total expenses</b>		<b>2,141.71</b>	<b>2,695.60</b>
5	<b>Profit before tax (3-4)</b>		<b>(508.15)</b>	<b>4.41</b>
6	Tax expense:			
	a) Current tax	33	(18.93)	(51.74)
	b) Deferred tax	8	(99.62)	(4.69)
	<b>Total tax expense</b>		<b>(118.55)</b>	<b>(56.43)</b>
7	<b>Profit/(loss) for the year (5-6)</b>		<b>(389.60)</b>	<b>60.84</b>
8	Other comprehensive income:			
	(i) Items that will not be reclassified to profit or loss:			
	-Remeasurement of post employment benefit obligations		0.49	0.78
	(ii) Income-tax relating to items that will not be reclassified to profit or loss		(0.12)	(0.20)
	<b>Other comprehensive income for the year, net of tax</b>		<b>0.37</b>	<b>0.58</b>
9	<b>Total comprehensive income/(loss) for the year (7+8)</b>		<b>(389.23)</b>	<b>61.42</b>
10	Earnings per equity share: (face value of ₹ 10 per share)	34		
	Basic earnings per share (in ₹)		(8.37)	1.50
	Diluted earnings per share (in ₹)		(8.37)	1.50

Notes 1 to 54 form an integral part of these standalone financial statements.

This is the standalone statement of profit and loss referred to in our report of even date

For and on behalf of the Board of Directors

For Arun K Agarwal & Associates

Chartered Accountants  
Firm's Registration No.: 003917N

Sd/-  
**Arun Kumar Agarwal**  
Partner

Membership No. 082899

Place: New Delhi  
Date: 30 May 2022

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director  
DIN-01980542

Sd/-  
**Vijay Panwar**  
Company Secretary  
Membership No. A19063

Sd/-  
**Balram Garg**  
Managing Director  
DIN-00032083

Sd/-  
**Sanjeev Bhatia**  
Chief Financial Officer



# STANDALONE STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 MARCH 2022

### A Equity share capital:

Particulars	Note	No. of shares	(₹ in crore)
			Amount
<b>Issued, subscribed and fully paid up</b>			
<b>Equity shares of ₹ 10 each</b>			
<b>Balance as at 1 April 2020</b>	15	<b>395,002,882</b>	<b>395.00</b>
Changes in equity share capital during the year			
Issued on exercise of employee stock options		71,014	0.07
Issue on preferential allotment		70,330,000	70.33
<b>Balance as at 31 March 2021</b>	<b>15</b>	<b>465,403,896</b>	<b>465.40</b>
Changes in equity share capital due to prior period errors		-	-
Changes in equity share capital during the year			
<b>Balance as at 31 March 2022</b>	<b>15</b>	<b>465,403,896</b>	<b>465.40</b>

### B Other equity:

Particulars	Reserves and surplus					Total
	Securities premium	General reserve	Share options outstanding account	Retained earnings	Items of other comprehensive income	
					Remeasurement of employee defined benefit plans	
<b>Balance as at 1 April 2020</b>	<b>925.98</b>	<b>54.54</b>	<b>36.56</b>	<b>2,588.00</b>	<b>1.95</b>	<b>3,607.03</b>
Profit for the year	-	-	-	60.84	-	<b>60.84</b>
Other comprehensive income for the year (net of income tax)	-	-	-	-	0.58	<b>0.58</b>
<b>Total comprehensive income for the year</b>	-	-	-	<b>60.84</b>	<b>0.58</b>	<b>61.42</b>
Share option expense for the year	-	-	0.82	-	-	<b>0.82</b>
Share option expense reversal*	-	13.79	(13.79)	-	-	-
Transactions with owners in their capacity as owners:						
Issue of equity shares	143.00	-	(2.33)	-	-	<b>140.67</b>
<b>Balance as at 31 March 2021</b>	<b>1,068.98</b>	<b>68.33</b>	<b>21.26</b>	<b>2,648.84</b>	<b>2.53</b>	<b>3,809.94</b>
Profit for the year	-	-	-	(389.60)	-	<b>(389.60)</b>
Other comprehensive income for the year (net of income tax)	-	-	-	-	0.37	<b>0.37</b>
<b>Total comprehensive income for the year</b>	-	-	-	<b>(389.60)</b>	<b>0.37</b>	<b>(389.23)</b>
Share option expense for the year	-	-	-	-	-	-
Share option expense reversal*	-	1.64	(1.64)	-	-	-
Share option investment reversal**	-	-	(2.32)	-	-	<b>(2.32)</b>
<b>Balance as at 31 March 2022</b>	<b>1,068.98</b>	<b>69.97</b>	<b>17.30</b>	<b>2,259.24</b>	<b>2.90</b>	<b>3,418.39</b>

\* The Company has transferred an amount of ₹ 1.64 crores (31 March 2021: ₹ 13.79 crores) from Share Option Outstanding Account to General Reserve on account of 37,408 share options (31 March 2021: 2,77,817 share options) lapsed/forfeited in accordance with the ESOP plan 2011.

\*\* The amount of ₹ 2.32 crores has been reduced from share option outstanding account on account of share option lapsed/forfeited in accordance with ESOP Plan 2011, which were granted to an employee of a subsidiary company (Luxury Products Trendsetter Private Limited).

**Notes 1 to 54 form an integral part of these standalone financial statements.**

**This is the standalone statement of changes in equity referred to in our report of even date**

**For and on behalf of the Board of Directors**

**For Arun K Agarwal & Associates**  
Chartered Accountants  
Firm's Registration No.: 003917N

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director  
DIN-01980542

Sd/-  
**Balram Garg**  
Managing Director  
DIN-00032083

Sd/-  
**Arun Kumar Agarwal**  
Partner  
Membership No. 082899

Sd/-  
**Vijay Panwar**  
Company Secretary  
Membership No. A19063

Sd/-  
**Sanjeev Bhatia**  
Chief Financial Officer

Place: New Delhi  
Date: 30 May 2022

# STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

Particulars	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
<b>A Cash flow from operating activities:</b>		
(Loss)/profit before tax	(508.15)	4.41
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	26.24	33.26
Share based payments to employees	-	0.82
Interest income on fixed deposit	(1.70)	(5.41)
Interest income on loans given to subsidiaries and body corporate	(7.51)	(7.51)
Net profit on disposal of property, plant and equipment	(0.01)	(0.26)
Income from investments (net)	(0.01)	(0.03)
Finance costs	427.45	380.05
Unwinding of discount on security deposits	(0.08)	(0.75)
Discounting of rental expenses as per Ind-As 116	(28.53)	(23.29)
Unrealised gain on foreign exchange	(103.31)	(50.65)
Actuarial loss forming part of other comprehensive income	0.49	0.78
Adjustment due to fair valuation of gold loan at unfixed prices	(4.65)	36.76
Fair valuation adjustment of forwards contracts	(1.07)	1.06
Gain on rent reduction/waiver due to Covid-19	(3.25)	(9.45)
Provision for impairment of loan to subsidiary	4.86	4.26
Provision for expected credit loss on trade receivables	188.07	-
<b>Operating (loss)/profit before working capital changes</b>	<b>(11.16)</b>	<b>364.05</b>
<b>Adjustments for:</b>		
(Increase)/decrease in inventories	277.50	(534.88)
(Increase)/decrease in financial assets	9.21	(6.72)
(Increase)/decrease in non-financial assets	19.34	10.06
(Increase)/decrease in trade receivables	(122.69)	532.19
Increase/(decrease) in trade payables	(902.16)	(168.73)
Increase/(decrease) in financial liabilities	(28.49)	(36.40)
Increase/(decrease) in non-financial liabilities	12.48	(36.93)
Increase/(decrease) in provisions	(0.05)	(40.02)
<b>Cash (used in)/generated from operating activities</b>	<b>(746.02)</b>	<b>82.62</b>
Direct taxes refunded/(paid)	18.93	14.74
<b>Net cash (used in)/generated from operating activities</b>	<b>(727.09)</b>	<b>97.36</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment including capital advances	(1.56)	(0.61)
Proceeds from disposal of property, plant and equipment	0.03	0.21
(Purchase)/redemption of current investments, net	5.60	(0.50)
Loans repaid by body corporate including subsidiary companies	27.05	-
Interest received	2.84	8.49
Redemption of fixed deposits, net	84.06	89.93
<b>Net cash generated from investing activities</b>	<b>118.02</b>	<b>97.52</b>



(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>C Cash flow from financing activities:</b>		
(Repayment of)/ proceeds from long term loans	(0.42)	(11.58)
Proceeds from allotment of employee stock options	-	0.07
Increase in short term borrowings, net of Interest payable	727.00	222.47
Interest paid	(151.22)	(366.04)
<b>Net cash generated from/ (used in) financing activities</b>	<b>575.36</b>	<b>(155.08)</b>
<b>D</b> Net (decrease)/increase in cash and cash equivalents (A+B+C)	(33.71)	39.80
<b>E</b> Cash and cash equivalents as at the beginning of the year	54.51	14.71
<b>F Cash and cash equivalents as at the end of the year (refer note 13)</b>	<b>20.80</b>	<b>54.51</b>
		-
<b>Components of cash and cash equivalents:</b>		
Balances with banks - in current accounts	18.24	19.82
Cheques on hand	0.10	0.13
Cash on hand	2.46	27.35
Deposits with original maturity of less than 3 months	-	7.22
	<b>20.80</b>	<b>54.51</b>

The above standalone cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Notes 1 to 54 form an integral part of these standalone financial statements.

This is the standalone cash flow statement referred to in our report of even date

For and on behalf of the Board of Directors

**For Arun K Agarwal & Associates**

Chartered Accountants  
Firm's Registration No.: 003917N

Sd/-

**Arun Kumar Agarwal**

Partner  
Membership No. 082899

Sd/-

**Ramesh Kumar Sharma**

Executive Director  
DIN-01980542

Sd/-

**Vijay Panwar**

Company Secretary  
Membership No. A19063

Sd/-

**Balram Garg**

Managing Director  
DIN-00032083

Sd/-

**Sanjeev Bhatia**

Chief Financial Officer

Place: New Delhi

Date: 30 May 2022



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 1. Corporate information

#### Nature of operations

PC Jeweller Limited (the 'Company') was incorporated on 13 April 2005. The Company is engaged in the business of trade, manufacture and sale of gold, diamond, silver, precious stone, gold jewellery/items, diamond studded jewellery and silver articles of various designs/specifications. The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited.

#### General information and statement of compliance with Ind AS

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('the Act'), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/provisions of applicable laws.

The standalone financial statements for the year ended 31 March 2022 were authorised and approved for issue by the Board of Directors on 30 May 2022. Revisions to standalone financial statements, if required, is permitted by the Board of Directors subject to obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

### 2. Application of new and revised Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised have been considered in preparing these standalone financial statements.

#### Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### a) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items

produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### b) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### c) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### d) Ind AS 109 – Annual Improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### e) Ind AS 116 – Annual Improvements to Ind AS

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 3. Summary of significant accounting policies

#### a) Overall consideration

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

#### Basis of preparation

The standalone financial statements have been prepared on a going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities which have been measured at fair value (refer note 40 for further details); and
- Share based payments which are measured at fair value of the options at the grant date.

The financial statements of the Company are presented in Indian Rupees (₹), which is also its financial currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of schedule III to the Act, unless otherwise stated.

#### b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### c) Foreign currency translation

##### *Initial recognition*

Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

##### *Measurement at the balance sheet date*

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

##### *Treatment of exchange difference*

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

#### d) Revenue recognition

##### *Sale of goods*

Revenue from the contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sales, as disclosed, are net of trade allowances, rebates, goods and service tax, and amounts collected on behalf of third parties.

The Company considers the terms of the contract and its customary business practices to determine the

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). In respect of contracts with customers that contain a financing component i.e. when payment by a customer occurs significantly before performance and the fair value of goods provided to the customer at the end of the contract term exceeds the advance payments received, interest expense is recognized on recognition of a contract liability over the contract period and is presented under the head finance costs in statement of profit and loss and total transaction price including financing component is recognized when control of the goods is transferred to the customer.

### *Satisfaction of performance obligations*

The Company's revenue is derived from the single performance obligation to transfer primarily gold and diamond products under arrangements in which the transfer of control of the products and the fulfilment of the Company's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the Company has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the Company will collect the consideration to which it is entitled to in exchange for the goods.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. In respect of sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

### *Interest and dividend income*

Interest income is recognised on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

## e) (i) **Property, plant and equipment**

### *Recognition and initial measurement*

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on written-down value, computed on the basis of useful lives (as set out below) prescribed in Schedule II of the Act:

<b>Asset category</b>	<b>Estimated useful life (in years)</b>
Buildings	30
Plant and equipments	15
Office equipments	5
Computers	3 for data processing units and 6 for servers
Furniture and fixtures	10
Vehicles	8 for motor cars and 10 for scooters

Leasehold improvements have been amortised over the estimated useful life of the assets or the period of lease, whichever is lower. The residual values, useful lives and method of depreciation and amortisation are reviewed at each financial year end and adjusted prospectively, if appropriate.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### (ii) Intangible assets

An intangible asset is a non-monetary, identifiable item without any physical substance that is within the control of an entity and is capable of generating future economic benefits for the entity.

#### *Recognition and initial measurement*

Intangible assets are recognised as per the cost model. As per the cost model an intangible asset is carried at its own cost less than any accumulated amortisation and any accumulated impairment losses after initial recognition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

#### *Subsequent measurement (amortisation and useful lives)*

Amortisation of intangible assets is provided on straight-line basis, computed on the basis of useful lives estimated by the management. The useful life of an intangible asset would include the renewal period(s) only if there is enough evidence to support the renewal by the entity without a significant cost.

Asset category	Estimated useful life (in years)
Software	10

### *De-recognition*

An item of intangible asset and any significant part initially recognised is derecognised upon disposal

or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### f) Leases

#### **The Company as a lessee**

The Company's lease asset classes primarily consist of property leases. 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 include 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 useful life of the underlying asset.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

### g) **Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### h) **Financial instruments**

#### **Financial assets**

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

##### *Subsequent measurement*

- i. **Financial instruments at amortised cost** – the financial instrument is measured at the amortised cost if both the following conditions are met:
  - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All the debt instruments of the Company are measured at amortised cost.

- ii. **Mutual funds** – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

##### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the right to receive cash flows from the asset have expired or the Company has transferred its right to receive cash flows from the asset.

#### **Financial liabilities**

##### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

##### *Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings.

##### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Compound financial instruments**

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by



## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income-tax effects, and not subsequently re-measured.

### **Derivative contracts and hedge accounting**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

#### *Embedded derivatives*

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Company enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative. The Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices in USD.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will

assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Changes in fair value of the hedging instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged item.

#### *Other derivatives*

The Company also uses foreign exchange forward contracts to hedge its exposure towards foreign currency. These foreign exchange forward contracts are not used for trading or speculation purposes. A derivative contract is recognised as an asset or a liability on the commitment date. Outstanding derivative contracts as at reporting date are fair valued and recognised as financial asset/financial liability, with the resultant gain/(loss) being recognised in the statement of profit and loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **i) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### *Trade receivables*

The Company applies approach permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

### *Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

## **j) Inventories**

Raw Material: Lower of cost or net realisable value. Cost is determined on first in first out ('FIFO') basis.

Work in progress: At cost determined on FIFO basis upto estimated stage of completion.

Finished goods: Lower of cost or net realisable value. Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

Stock in trade: Lower of cost or net realisable value. Cost is determined on first in first out ('FIFO') basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

## **k) Taxes on income**

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act 1961. Current income-tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity).

Deferred income-tax is calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity).

## **l) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than three months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

## **m) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **n) Post-employment, long term and short term employee benefits**

### *Defined contribution plans*

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Company



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

### *Defined benefit plans*

Gratuity is a post-employment benefit defined under The Payment of Gratuity Act, 1972 and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the end of each reporting period by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the OCI in the year in which such gains or losses are determined.

### *Other long-term employee benefits*

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to the statement of profit and loss in the year in which such gains or losses are determined.

### *Short-term employee benefits*

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## **o) Share based payments**

### *Employee stock option plan*

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to

be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

## **p) Operating expenses**

Operating expenses are recognised in the statement of profit and loss upon utilisation of the service or as incurred.

## **q) Borrowing costs**

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

## **r) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## **s) Provisions, contingent assets and contingent liabilities**

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

### t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except for anti-dilutive potential equity shares.

### u) Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity. The Board of Directors of the Company have not recommended any dividend for the year.

### v) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts

of revenues, expenses, assets and liabilities, and the related disclosures.

### *Significant management judgements and estimates*

The following are significant management judgements and estimates in applying the accounting policies of the Company that have the most significant effect on the financial statements:

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

### **Evaluation of indicators for impairment of assets**

– The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**NOTE 4: NON-CURRENT ASSETS**

**A) PROPERTY, PLANT AND EQUIPMENT**

(₹ in crore)

Particulars	Free hold land	Build-ings	Leasehold improve-ments	Plant and equip-ments	Office equip-ments	Comput-ers	Furniture and fixtures	Vehicles	Total
<b>Gross block</b>									
<b>As at 1 April 2020</b>	<b>7.58</b>	<b>3.11</b>	<b>68.28</b>	<b>6.44</b>	<b>23.03</b>	<b>5.68</b>	<b>6.35</b>	<b>6.40</b>	<b>126.87</b>
Additions	-	-	-	-	0.17	0.13	-	0.01	0.31
Disposals	-	-	(1.56)	(0.08)	(0.37)	(0.01)	(0.30)	(0.75)	(3.07)
<b>As at 31 March 2021</b>	<b>7.58</b>	<b>3.11</b>	<b>66.72</b>	<b>6.36</b>	<b>22.83</b>	<b>5.80</b>	<b>6.05</b>	<b>5.66</b>	<b>124.11</b>
Additions	-	-	-	0.02	0.00*	-	0.00*	0.01	0.03
Disposals	-	-	-	(0.08)	0.00*	-	(0.01)	0.00*	(0.09)
<b>As at 31 March 2022</b>	<b>7.58</b>	<b>3.11</b>	<b>66.72</b>	<b>6.30</b>	<b>22.83</b>	<b>5.80</b>	<b>6.04</b>	<b>5.67</b>	<b>124.05</b>
<b>Accumulated depreciation</b>									
<b>As at 1 April 2020</b>	-	<b>1.22</b>	<b>42.72</b>	<b>3.34</b>	<b>21.12</b>	<b>4.72</b>	<b>4.50</b>	<b>4.10</b>	<b>81.72</b>
Charge for the year	-	0.18	8.75	0.49	1.53	0.37	0.54	0.69	12.55
Reversal/adjustment on disposals	-	-	(1.26)	(0.06)	(0.35)	-	(0.27)	(0.72)	(2.65)
<b>As at 31 March 2021</b>	-	<b>1.40</b>	<b>50.21</b>	<b>3.77</b>	<b>22.30</b>	<b>5.09</b>	<b>4.77</b>	<b>4.07</b>	<b>91.61</b>
Charge for the year	-	0.16	4.62	0.40	0.50	0.19	0.42	0.25	6.54
Reversal/adjustment on disposals	-	-	-	(0.07)	0.00*	-	(0.01)	0.00*	(0.08)
<b>As at 31 March 2022</b>	-	<b>1.56</b>	<b>54.83</b>	<b>4.10</b>	<b>22.80</b>	<b>5.28</b>	<b>5.18</b>	<b>4.32</b>	<b>98.07</b>
<b>Net block:</b>									
As at 31 March 2022	7.58	1.55	11.89	2.20	0.03	0.52	0.86	1.35	25.98
As at 31 March 2021	7.58	1.71	16.51	2.59	0.53	0.71	1.28	1.59	32.50

\* Rounded off to nil.

**Note 1:** The amount of contractual commitments for the acquisition of property, plant and equipment, but not recognised as a liability as at 31 March 2022 was Nil (31 March 2021: Nil).

**Note 2:** The title deeds of all immovable properties are held in the name of the Company.

**B) OTHER INTANGIBLE ASSETS**

(₹ in crore)

	Computer software	Total
<b>Gross block:</b>		
<b>As at 1 April 2020</b>	-	-
Additions	1.09	1.09
<b>As at 31 March 2021</b>	<b>1.09</b>	<b>1.09</b>
Additions	-	-
<b>As at 31 March 2022</b>	<b>1.09</b>	<b>1.09</b>
<b>Accumulated amortisation</b>		
<b>As at 1 April 2020</b>	-	-
Amortisation charge for the year	0.09	0.09
<b>As at 31 March 2021</b>	<b>0.09</b>	<b>0.09</b>
Amortisation charge for the year	0.11	0.11
<b>As at 31 March 2022</b>	<b>0.20</b>	<b>0.20</b>
<b>Net block:</b>		
As at 31 March 2022	0.89	0.89
As at 31 March 2021	1.00	1.00

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 5: NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
<b>Investments in equity instruments (unquoted) - fully paid up - at cost</b>		
<b>In wholly owned subsidiary companies</b>		
PC Universal Private Limited 50,000 (31 March 2021: 50,000) equity shares of ₹ 10 each	0.05	0.05
Transforming Retail Private Limited 10,000 (31 March 2021: 10,000) equity shares of ₹ 10 each	0.01	0.01
Luxury Products Trendsetter Private Limited 10,000 (31 March 2021: 10,000) equity shares of ₹ 10 each	0.01	2.33
PC Jeweller Global DMCC 73,400 (31 March 2021: 73,400) equity shares of AED 1,000 each	133.86	133.86
PC Gems & Jewellery Limited 50,000 (31 March 2021: 50,000) equity shares of ₹ 10 each	0.05	0.05
	<b>133.98</b>	<b>136.30</b>
Less: Provision for impairment	(0.05)	(0.05)
	<b>133.93</b>	<b>136.25</b>
<b>Aggregate amount of unquoted investments</b>	133.98	136.30
<b>Aggregate amount of impairment in value of investment</b>	(0.05)	(0.05)

### NOTE 6: FINANCIAL ASSETS - LOANS

	(₹ in crore)			
	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Security deposits				
-Considered good- unsecured	25.61	2.65	24.77	1.23
Loan to subsidiaries (refer note (a) below and note 37)				
-Considered good- unsecured	96.00	33.29	123.05	31.91
-Credit impaired	-	30.18	-	25.31
Loan to other body corporate (refer note (a) below)				
-Considered good- unsecured	8.23	0.42	8.23	1.24
Less : Loss allowance	-	(30.18)	-	(25.31)
<b>Total</b>	<b>129.84</b>	<b>36.36</b>	<b>156.05</b>	<b>34.38</b>

(a) Loans have been given to PC Universal Private Limited and Luxury Products Trendsetter Private Limited (subsidiaries) and Shivani Sarees Private Limited (a body corporate) for business purposes.

### NOTE 7: OTHER FINANCIAL ASSETS

	(₹ in crore)			
	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
<b>(Unsecured and considered good)</b>				
Deposits with maturity of more than 12 months (refer note (a) below)	0.15	-	2.38	-
Others	-	0.02	-	0.02
<b>Total</b>	<b>0.15</b>	<b>0.02</b>	<b>2.38</b>	<b>0.02</b>

(a) Held as margin money for procurement of gold from suppliers against letter of credit.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 8: DEFERRED TAX ASSETS (NET)**

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax asset arising on account of</b>		
Difference between accounting base and tax base of property, plant and equipment	12.79	13.46
Provision for employee benefits	1.72	1.73
Deferred lease rent	11.29	9.49
Provision for discount	0.74	0.70
Financial assets and liabilities at amortised cost	0.73	1.92
Unpaid interest to scheduled banks*	63.60	-
Expected credit loss on trade receivables*	52.90	15.75
Valuation of inventory	1.21	1.94
Others	5.89	6.38
	<b>150.87</b>	<b>51.37</b>
<b>Deferred tax liability arising on account of</b>		
Financial assets at fair value through profit or loss	(0.16)	(0.16)
	<b>(0.16)</b>	<b>(0.16)</b>
<b>Net deferred tax assets</b>	<b>150.71</b>	<b>51.21</b>

**(a) Changes in deferred tax assets and deferred tax liabilities from 1 April 2021 to 31 March 2022**

	(₹ in crore)				
Particulars	Opening balance as on 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2022
<b>Deferred tax asset arising on account of</b>					
Difference between accounting base and tax base of property, plant and equipment	13.46	(0.67)	-	-	12.79
Provision for employee benefits	1.73	0.11	(0.12)	-	1.72
Deferred lease rent	9.49	1.80	-	-	11.29
Provision for discount	0.70	0.04	-	-	0.74
Financial assets and liabilities at amortised cost	1.92	(1.19)	-	-	0.73
Unpaid interest to scheduled banks*	-	63.60	-	-	63.60
Expected credit loss on trade receivables*	15.75	37.15	-	-	52.90
Valuation of inventory	1.94	(0.73)	-	-	1.21
Others	6.38	(0.49)	-	-	5.89
	<b>51.37</b>	<b>99.62</b>	<b>(0.12)</b>	-	<b>150.87</b>
<b>Deferred tax liability arising on account of</b>					
Financial assets at fair value through profit or loss	(0.16)	-	-	-	(0.16)
	<b>(0.16)</b>	-	-	-	<b>(0.16)</b>
<b>Net deferred tax assets</b>	<b>51.21</b>	<b>99.62</b>	<b>(0.12)</b>	-	<b>150.71</b>

\*During the financial year ended 31 March 2022, the increase in deferred tax asset (DTA) is on account of disallowances mainly of ECL and unapplied finance cost under Income-tax Act 1961.

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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### (b) Changes in deferred tax assets and deferred tax liabilities from 1 April 2020 to 31 March 2021

(₹ in crore)					
Particulars	Opening balance as on 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2021
<b>Deferred tax asset arising on account of</b>					
Difference between accounting base and tax base of property, plant and equipment	12.98	0.48	-	-	13.46
Provision for employee benefits	2.12	(0.19)	(0.20)	-	1.73
Deferred lease rent	6.48	3.01	-	-	9.49
Provision for discount	1.13	(0.43)	-	-	0.70
Financial assets and liabilities at amortised cost	1.60	0.32	-	-	1.92
Expected credit loss on trade receivables	15.71	0.04	-	-	15.75
Valuation of inventory	1.54	0.40	-	-	1.94
Others	5.31	1.07	-	-	6.38
	<b>46.86</b>	<b>4.70</b>	<b>(0.20)</b>	<b>-</b>	<b>51.37</b>
<b>Deferred tax liability arising on account of</b>					
Financial assets at fair value through profit or loss	(0.15)	(0.01)	-	-	(0.16)
Valuation of inventory					-
	<b>(0.15)</b>	<b>(0.01)</b>	<b>-</b>	<b>-</b>	<b>(0.16)</b>
<b>Net deferred tax assets</b>	<b>46.71</b>	<b>4.69</b>	<b>(0.20)</b>	<b>-</b>	<b>51.21</b>

### NOTE 9: OTHER ASSETS

(₹ in crore)				
	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Advance to suppliers	-	18.30	-	24.07
Balances with statutory authorities	-	23.02	-	32.39
Prepaid expenses	7.76	2.52	9.73	4.63
Others	-	4.84	-	4.96
	<b>7.76</b>	<b>48.68</b>	<b>9.73</b>	<b>66.05</b>

### NOTE 10: INVENTORIES

(₹ in crore)		
	As at 31 March 2022	As at 31 March 2021
(valued at lower of cost and net realisable value)		
Raw materials	14.69	1.54
Work-in-progress	1,939.11	1,951.57
Finished goods*	3,562.42	3,840.61
	<b>5,516.22</b>	<b>5,793.72</b>

\*Includes Stock-in-trade



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 11: CURRENT FINANCIAL ASSETS - INVESTMENTS

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
<b>Investment in mutual funds (quoted) - at fair value through profit and loss</b>		
Union Corporate Bond Fund - Regular Growth Plan (31 March 2022: 1,076,745 units, 31 March 2021: 1,076,745 units)	1.35	1.29
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth Plan (31 March 2022: Nil units, 31 March 2021: 600,000 units)	-	0.75
Canara Robeco Capital Protection Oriented Fund Series 10 Regular Growth Plan (31 March 2022: 250,000 units, 31 March 2021: 250,000 units)	0.33	0.31
ICICI Prudential Corporate Bond Fund - Regular Growth Plan (31 March 2022: 71,825 units, 31 March 2021: 71,825 units)	0.26	0.24
HDFC Top 100 Fund-Growth Plan (31 March 2022: 4,661 units, 31 March 2021: 4,661 units)	0.32	0.27
State Bank of India Magnum Balanced Fund - Regular Growth Plan (31 March 2022: 10,628 units, 31 March 2021: 10,628 units)	0.22	0.18
SBI Banking and PSU Fund Series Regular Growth Plan L348 RG (31 March 2022: Nil units, 31 March 2021: 20467 units)	-	5.02
	<b>2.48</b>	<b>8.06</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>2.48</b>	<b>8.06</b>

### NOTE 12: TRADE RECEIVABLES

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured*	1,346.58	1,305.33
Credit impaired	250.63	62.56
Less: Loss allowance	(250.63)	(62.56)
	<b>1,346.58</b>	<b>1,305.33</b>

\* Includes receivable from related parties amounting ₹ 8.60 crore (31 March 2021: ₹ 9.15 crore) (refer note 37)

The net carrying amount of trade receivables is considered a reasonable approximation of fair value.

### Trade receivables ageing schedule for the year ended 31 March 2021 and 31 March 2022:

Particulars	Amount Outstanding for following periods from due date of payment						Total 31-03-2022 (31-03-2021)
	Not Due 31-03-2022 (31-03-2021)	0-6 months 31-03-2022 (31-03-2021)	06-12 months 31-03-2022 (31-03-2021)	12-24 months 31-03-2022 (31-03-2021)	24-36 months 31-03-2022 (31-03-2021)	More than 36 months 31-03-2022 (31-03-2021)	
1. Undisputed Trade receivables- Considered good	20.92	160.02	48.83	430.70	684.53	1.58	1,346.58
	84.04	57.80	448.54	713.27	1.49	0.19	1,305.33
2. Undisputed Trade Receivables- which have significant increase in credit Risk	-	-	-	-	-	-	-
3. Udisputed Trade Receivables- credit impaired	-	44.23	12.98	100.14	93.28	-	250.63
	-	-	9.40	53.16	-	-	62.56
4. Disputed Trade Receivables -Considered good	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	Amount Outstanding for following periods from due date of payment						(₹ in crore)
	Not Due	0-6 months	06-12	12-24	24-36	More than	Total
	31-03-2022 (31-03-2021)	31-03-2022 (31-03-2021)	months 31-03-2022 (31-03-2021)	months 31-03-2022 (31-03-2021)	months 31-03-2022 (31-03-2021)	36 months 31-03-2022 (31-03-2021)	31-03-2022 (31-03-2021)
5. Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6. Disputed Trade Receivables-Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>20.92</b>	<b>204.25</b>	<b>61.81</b>	<b>530.84</b>	<b>777.81</b>	<b>1.58</b>	<b>1,597.21</b>
	<b>84.04</b>	<b>57.80</b>	<b>457.94</b>	<b>766.43</b>	<b>1.49</b>	<b>0.19</b>	<b>1,367.89</b>
Less: Allowance for Credit Loss							250.63
							62.56
<b>Total Trade Receivables</b>							<b>1,346.58</b>
							<b>1,305.33</b>

### NOTE 13: CASH AND CASH EQUIVALENTS

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Balances with banks - in current accounts (refer note (b) below)	18.24	19.82
Cheques on hand	0.10	0.13
Cash on hand	2.46	27.35
Deposits with original maturity of less than 3 months	-	7.22
	<b>20.80</b>	<b>54.51</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

- (a) Held as margin money for procurement of gold from suppliers against letter of credit. - 0.98
- (b) *Inter-alia* includes deposits of ₹ 0.00\* crore (31 March 2021: ₹ 2.50 crore) which are earmarked.

\*Rounded off to nil

### NOTE 14: OTHER BANK BALANCES

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Deposits with maturity of more than 3 months but less than 12 months (refer note a & b below)	36.73	119.70
Unclaimed dividend account (refer note c below)	0.09	0.10
	<b>36.82</b>	<b>119.80</b>

- (a) Held as margin money for procurement of gold from suppliers against letter of credit. - 84.81
- (b) *Inter-alia* includes deposits of ₹ 0.02 crore (31 March 2021: ₹ 0.02 crore) which are earmarked.
- (c) Not due for deposit to the Investor Education and Protection Fund.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**NOTE 15: EQUITY SHARE CAPITAL**

(₹ in crore)

	Number of shares	Amount
<b>a) Authorised share capital</b>		
<b>Equity shares of ₹ 10 each</b>		
<b>Total authorised equity share capital as at 31st March 2021/ 31 March 2022</b>	<b>500,000,000</b>	<b>500.00</b>
<b>Preference shares of ₹ 10 each</b>		
<b>Total authorised preference share capital as at 31 March 2021/31 March 2022</b>	<b>260,000,000</b>	<b>260.00</b>
<b>Issued, subscribed and paid-up share capital:</b>		
<b>Equity shares of ₹ 10 each</b>		
Balance as at 1 April 2020	395,002,882	395.00
Issued on preferential allotment	70,330,000	70.33
Issued on exercise of employee stock options	71,014	0.07
<b>Balance as at 31 March 2021</b>	<b>465,403,896</b>	<b>465.40</b>
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>465,403,896</b>	<b>465.40</b>

**b) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the equity shareholders. During the year ended 31 March 2021, after getting necessary approval from shareholders as well as in principle approvals from BSE Limited and National Stock Exchange of India limited, the board of the company vide a resolution passed by circulation on 04 February 2021, made allotment of 7,03,30,000 equity shares having face value of ₹ 10 /- each, at an issue price of ₹ 30/- per share to Shri Balram Garg, promoter of the company, on preferential basis, in accordance with the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 pursuant to conversion of unsecured loan amounting to ₹ 2,10,99,00,000 extended by him to the Company.

**c) Shares reserved for issue under options**

3,461,867 equity shares are reserved for the issue under the Employees' stock option plan of the Company. Information relating to Employees' stock option plan, including details of options granted, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 36.

**d) Details of shareholders holding more than 5% of the shares of the Company\***

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares of ₹ 10 each</b>				
Mr. Balram Garg	204,282,100	43.89%	204,282,100	43.89%
Mrs. Krishna Devi	48,462,813	10.41%	48,462,813	10.41%
	<b>252,744,913</b>	<b>54.30%</b>	<b>252,744,913</b>	<b>54.30%</b>

\*As per the records of the Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### e) Disclosure of shareholding of Promoters

Name of Promoter	Equity shares held by promoters				% change during the year
	As at 31 March 2022		As at 31 March 2021		
	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Balram Garg	204,282,100	43.89%	204,282,100	43.89%	-

- f) The shareholders of the Company approved the issue of 179,212,800 equity shares as bonus shares which were subsequently allotted on 10 July 2017. Further the Company has allotted 11,236,800 equity shares as bonus shares on 19 August 2017 on conversion of compulsorily convertible debentures. Other than this, the Company has not issued any shares pursuant to contract without payment being received in cash, or allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the date of balance sheet.

### NOTE 16: OTHER EQUITY

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Retained earnings	2,259.24	2,648.84
General reserve	69.97	68.33
Securities premium	1,068.98	1,068.98
Share options outstanding account	17.30	21.26
Other comprehensive income	2.90	2.53
	<b>3,418.39</b>	<b>3,809.94</b>

#### Retained earnings

Retained earnings are created from the profit/loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

#### General reserve

Under the Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

#### Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with provisions of the Act.

#### Share options outstanding account

The reserve account is used to recognise the grant date fair value of options issued to employees under employee stock option plan, over the vesting period.

### NOTE 17: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	(₹ in crore)				
	Interest rate	Maturity date	As at 31 March 2022	As at 31 March 2021	Remarks
<b>Secured</b>					
Vehicle loans	8.25%-10.65%	May 2024	-	0.42	Refer note (i)
Less: Current maturities of long term borrowings (refer note 21)			-	(0.10)	
<b>Total</b>			-	<b>0.32</b>	

- (i) During the financial year, all vehicle loans were closed due to prepayment of outstanding balance although the maturity is May 2024.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 18: PROVISIONS**

(₹ in crore)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Provision for employee benefits obligations (refer note 35)	4.42	2.40	4.62	2.25
	<b>4.42</b>	<b>2.40</b>	<b>4.62</b>	<b>2.25</b>

**NOTE 19: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(₹ in crore)

	Interest rate	Maturity date	As at 31 March 2022	As at 31 March 2021	Remarks
<b>Secured (carried at amortised cost)</b>					
From banks:					
Cash credit facilities	10.45% - 24.65%	Payable on demand	1,700.63	999.96	Refer note (i)&(ii)
Funded interest term loans	12.25% - 18.46%	Payable on demand	99.97	143.92	Refer note (i)&(ii)
Demand loans	10.35% - 25.00%	Payable on demand	1,291.24	1,145.57	Refer note (i)&(ii)
Bank overdraft	12.00% - 17.39%	Payable on demand	186.56	-	Refer note (i)&(ii)
<b>Total</b>			<b>3,278.40</b>	<b>2,289.45</b>	
<b>Unsecured</b>					
Loan from promoter	Interest free	Payable on demand	4.29	4.37	
<b>Total current financial liabilities- borrowings</b>			<b>3,282.69</b>	<b>2,293.82</b>	

- (i) Cash credit facilities, Funded interest term loans, demand loans and bank overdrafts are secured against first pari passu charge on current assets, property, plant and equipment and fixed deposits of the Company. These loans are further fully secured by personal guarantees of promoter director and other individuals alongwith corporate guarantees and collateral securities of other companies.
- (ii) Company's borrowing accounts have been classified as non performing assets with all the banks. The accounts have been downgraded on account of default/non payment of debt/interest/installment, continuously overdrawn cash credit limits and on account of conclusions of RBI Annual Financial Inspection (AFI) report. Total fund based exposure outstanding as on 31 March 2022 amounting to ₹ 3278.40 crores includes provision for interest upto 31 March 2022 calculated based on management's estimates which stands accrued but not applied by banks post NPA downgradation. Some of the banks have provided outstanding amount including unapplied interest upto 31 March 2022, whereas some of the banks have provided figures without unapplied interest. Therefore provision for unapplied interest for ₹ 146.23 crores have been made as per best estimate of the management. The Company has applied for resolution of its debt and its proposal is under consideration.

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### (iii) Details of period and amount of default in loan repayment as at year end:

Name of Bank	Interest/ Principal*	As at 31 March 2022		As at 31 March 2021	
		Period of Default	(₹ in crore)	Period of Default	(₹ in crore)
State Bank of India	Principal/Interest	The delay in repayments ranging between 1 to 730 days as on 31 March 2022	1,060.07	The delay in repayments ranging between 1 to 360 days as on 31 March 2021	43.40
Punjab National Bank	Principal/Interest		478.69		87.11
Union Bank of India (including erstwhile Corporation Bank)	Principal/Interest		530.00		25.52
Indian Bank (including erstwhile Allahabad Bank)	Principal/Interest		226.41		11.08
Bank of India	Principal/Interest		197.72		12.00
Indian Overseas Bank	Principal/Interest		194.01		9.45
IDBI Bank	Principal/Interest		95.59		5.92
Bank of Baroda	Principal/Interest		47.65		2.20
Axis Bank	Principal/Interest		51.45		1.58
IDFC First Bank	Principal/Interest		58.90		3.71
Canara Bank (including erstwhile Syndicate Bank)	Principal/Interest		167.20		8.93
KVB Bank	Principal/Interest		27.61		1.70
Kotak Mahindra Bank	Principal/Interest		120.34		-
IndusInd Bank	Principal/Interest		22.76		1.28
<b>Total</b>			<b>3,278.40</b>		<b>213.88</b>

\*inclusive of interest provision calculated by the management as in (ii) above

### NOTE 20: TRADE PAYABLES

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.45	0.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	14.95	919.71
	<b>15.40</b>	<b>920.23</b>

\* Includes gold on lease ₹ Nil (31 March 2021: ₹ 879.90 crore) on which interest is charged at 2.40% to 2.85% per annum (31 March 2021: 2.40% to 3.25% per annum).

### Trade payables aging schedule for the year ended as on 31 march 2021 and 31 March 2022

Particulars	Amount outstanding for following periods from due date of payment					Total
	Not Due 31-03-2022 (31-03-2021)	Less than 1 year 31-03-2022 (31-03-2021)	1-2 years 31-03-2022 (31-03-2021)	2-3 years 31-03-2022 (31-03-2021)	More than 3 years 31-03-2022 (31-03-2021)	31-03-2022 (31-03-2021)
1. MSME	-	0.23	0.04	0.18	-	0.45
	-	0.48	-	-	0.04	0.52
2. Others	-	3.36	10.57	0.71	0.31	14.95
	880.01	37.61	1.76	0.29	0.04	919.71
3. Disputed dues-MSME	-	-	-	-	-	-
	-	-	-	-	-	-
4. Disputed dues-others	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total</b>	-	<b>3.59</b>	<b>10.61</b>	<b>0.89</b>	<b>0.31</b>	<b>15.40</b>
	<b>880.01</b>	<b>38.09</b>	<b>1.76</b>	<b>0.29</b>	<b>0.08</b>	<b>920.23</b>


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 21: OTHER CURRENT FINANCIAL LIABILITIES**

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Current maturities of long term debt (refer note 17)	-	0.10
Interest accrued but not due on borrowings	-	0.91
Unpaid dividends*	0.09	0.10
Employee related payables	4.66	3.67
Foreign currency payables, net	-	3.22
Others	33.54	47.82
	<b>38.29</b>	<b>55.82</b>

\* Not due for deposit to the Investor Education and Protection Fund

**NOTE 22: OTHER CURRENT LIABILITIES**

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Advances received from customers	56.82	47.75
Deposits received from customers	7.06	11.93
Statutory dues payable	0.84	0.90
Others	11.45	3.10
	<b>76.17</b>	<b>63.68</b>

**NOTE 23: CURRENT TAX LIABILITIES (NET)**

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Provision for income-tax (net of prepaid taxes)	126.81	127.85
	<b>126.81</b>	<b>127.85</b>

**NOTE 24: REVENUE FROM OPERATIONS**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	1,574.05	2,669.34
	<b>1,574.05</b>	<b>2,669.34</b>

**NOTE 25: OTHER INCOME**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on:		
fixed deposits with banks	1.70	5.41
loans to subsidiaries	6.95	7.04
loan to a body corporate	0.56	0.47
other financial assets carried at amortised cost	2.94	2.74
Gain on investments measured at FVTPL	0.01	0.03
Net Profit on sale of property, plant and equipment*	0.01	0.26
Net gain on foreign currency transactions and translations	39.42	-
Liabilities written back	0.73	1.56
Other non-operating income	7.19	13.16
	<b>59.51</b>	<b>30.67</b>

\* net of loss on disposal of property, plant and equipment amounting to ₹ 0.00 crore (rounded off to nil).

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 26: COST OF MATERIALS CONSUMED

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Raw material</b>		
Balance at the beginning of the year	1.54	295.56
Add: purchases during the year	1,059.53	2,660.39
Less: balance at the end of the year	14.69	1.54
	<b>1,046.38</b>	<b>2,954.41</b>

### NOTE 27: PURCHASES OF STOCK-IN-TRADE

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	41.12	13.60
	<b>41.12</b>	<b>13.60</b>

### NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Opening balance</b>		
Work-in-progress	1,951.57	1,639.38
Finished goods*	3,840.61	3,323.90
	<b>5,792.18</b>	<b>4,963.28</b>
<b>Closing balance</b>		
Work-in-progress	1,939.11	1,951.57
Finished goods*	3,562.42	3,840.61
	<b>5,501.53</b>	<b>5,792.18</b>
	<b>290.65</b>	<b>(828.90)</b>

\*Includes Stock-in-trade

### NOTE 29: EMPLOYEE BENEFITS EXPENSE

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	42.85	37.34
Contribution to provident and other funds	1.81	1.37
Share based payments to employees	-	0.82
Staff welfare expenses	0.81	1.02
	<b>45.47</b>	<b>40.55</b>

### NOTE 30: FINANCE COSTS

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on financial liabilities at amortised cost#	408.95	348.70
Interest on late deposit of advance tax	9.92	13.63
Interest on lease liabilities	13.43	14.63
Other finance costs	5.07	16.72
	<b>437.37</b>	<b>393.68</b>

# includes ₹ 6.45 crore (31 March 2021: ₹16.94 crore) as finance cost on gold on lease.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	6.54	12.55
Amortisation of right-of-use assets	19.59	20.62
Amortisation of intangible assets	0.11	0.09
	<b>26.24</b>	<b>33.26</b>

**NOTE 32: OTHER EXPENSES**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Advertisement and publicity	2.85	4.19
Labour charges	19.21	13.80
Hallmarking charges	0.60	0.25
Consumption of packing material	1.57	0.93
Rent (refer note 45)	4.49	3.38
Business promotion	0.18	0.36
Communication	1.07	1.21
Repairs and maintenance	4.38	3.79
Provision for impairment	4.86	4.26
Discount and commission	1.20	1.17
Electricity and water	5.84	5.47
Vehicle running and maintenance	0.03	0.08
Insurance	0.73	1.02
Legal and professional (including payment to auditors) (refer note (a) below)	3.48	3.69
Rates and taxes	0.96	0.36
Printing and stationery	0.23	0.22
Security expenses	5.14	5.35
Travelling and conveyance	1.69	0.88
Expected credit loss on trade receivables	188.07	-
Net loss on foreign currency transactions and translations	-	29.14
Bank charges	4.84	2.34
Expenditure on corporate social responsibility activities (refer note 46)	0.94	6.50
Miscellaneous expenses	2.12	0.61
	<b>254.48</b>	<b>89.00</b>
<b>(a) Payment to the auditors:</b>		
- As auditors	0.15	0.15
- For other services (including limited reviews)	0.23	0.16
- For reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>0.39</b>	<b>0.32</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 33: CURRENT TAX

#### (a) Income-tax expense through the statement of profit and loss

(₹ in crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current tax:</b>		
Current tax on profits for the year	-	7.61
Adjustments for current tax of prior periods	(18.93)	(59.35)
	<b>(18.93)</b>	<b>(51.74)</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	(99.62)	(4.69)
<b>Total tax expense</b>	<b>(118.55)</b>	<b>(56.43)</b>

#### (b) Income-tax on other comprehensive income

(₹ in crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Re-measurement of defined benefit obligations	(0.12)	(0.20)
<b>Total tax expense recognised in other comprehensive income</b>	<b>(0.12)</b>	<b>(0.20)</b>

#### (c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in crore)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Accounting profit before income-tax</b>	(508.15)	4.41
Applicable Indian statutory income-tax rate	25.17%	25.17%
Computed expected tax expense	-	1.11
Prior period adjustments (refer note (a) below)	(18.93)	(59.35)
Effect of non-deductible expenses	(99.62)	1.81
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>(118.55)</b>	<b>(56.43)</b>

#### Note:

- During the financial year ended 31 March 2022, income tax refund of ₹ 18.93 crore has been accounted by the company pursuant to order of Income Tax Appellate Tribunal (ITAT) for previous assessment years. The same has been adjusted against the outstanding demand of AY 18-19.
- During the previous year ended 31 March 2021 the company has reversed outstanding provisions for income tax amounting to ₹ 38.48 crore and ₹ 20.87 crore for AY 18-19 and AY 19-20 respectively on the basis of Assesment orders received under section 143(1)(a) of the Income Tax Act, 1961. The management is of the view that no additional income tax liability shall be payable with respect to these assessment years.
- The Company is following the option exercised for reduced tax rate permitted under section 115BAA of the Income-tax Act, 1961 for the financial year ended 31 March 2022 as introduced by the Taxation Laws (Amendment) Ordinance 2019.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 34: EARNINGS PER SHARE**

Particulars	Units	Year ended 31 March 2022	Year ended 31 March 2021
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
<b>Net profit attributable to shareholders for basic/diluted earnings per share</b>	₹ in crore	<b>(389.60)</b>	<b>60.84</b>
<b>Weighted average number of equity shares for basic earnings per share</b>		<b>465,403,896</b>	<b>405,641,605</b>
Effect of exercise of share options		-	836,433
<b>Weighted average number of equity shares for diluted earnings per share</b>		<b>465,403,896</b>	<b>406,478,038</b>
Basic earnings per share	₹	(8.37)	1.50
Diluted earnings per share	₹	(8.37)	1.50

**NOTE 35: EMPLOYEE BENEFITS**

(₹ in crore)

	As at 31 March 2022	As at 31 March 2021
Provision for gratuity	6.48	6.53
Provision for compensated absences	0.34	0.34
	<b>6.82</b>	<b>6.87</b>

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the amount recognised in the balance sheet for the defined benefit plan.

(₹ in crore)

	Gratuity benefits	
	As at 31 March 2022	As at 31 March 2021
<b>Change in the present value of the defined benefit obligation:</b>		
Opening defined benefit obligation	6.53	6.81
Interest cost	0.37	0.44
Current service cost	0.79	0.87
Benefits paid	(0.72)	(0.81)
Actuarial (gains) on obligation	(0.49)	(0.78)
<b>Closing defined benefit obligation</b>	<b>6.48</b>	<b>6.53</b>
<b>Expense recognised in the statement of profit and loss:</b>		
Current service cost	0.79	0.87
Interest cost	0.37	0.44
	<b>1.16</b>	<b>1.31</b>
<b>(Income) recognised in the other comprehensive income:</b>		
Net actuarial (gain) in the year	(0.49)	(0.78)
	<b>(0.49)</b>	<b>(0.78)</b>
<b>Net expense recognised in the total comprehensive income</b>	<b>0.67</b>	<b>0.53</b>
<b>Breakup of actuarial (gain)/loss</b>		
Actuarial gain arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	(0.08)	0.18
Actuarial gain arising from experience adjustment	(0.41)	(0.96)
	<b>(0.49)</b>	<b>(0.78)</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### Actuarial assumptions used

	As at 31 March 2022	As at 31 March 2021
Discount rate	5.75%	5.40%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life	26.10	26.57

### Demographic assumptions used

	As at 31 March 2022	As at 31 March 2021
Mortality table	IALM(2012-14)	IALM(2012-14)
Retirement age	60 years	60 years
Average remaining life	26.10	26.57

These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

### Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability:

	(₹ in crore)			
	As at 31 March 2022		As at 31 March 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
<b>Discount rate</b>				
(Decrease)/ increase in the defined benefit liability	(0.17)	0.18	(0.16)	0.17
<b>Salary growth rate</b>				
Increase/ (decrease) in the defined benefit liability	0.16	(0.15)	0.16	(0.15)
<b>Average life expectancy</b>				
Increase/ (decrease) in the defined benefit liability	negligible	negligible	negligible	negligible

The present value of the defined benefit obligation is calculated as mentioned in note 3(n) of the financial statements. The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Based on historical data, the Company expects contributions of ₹ 1.13 crore (31 March 2021 : ₹ 0.99 crore) in the next 12 months.

### Amounts for the current and previous four years are as follows:

	(₹ in crore)				
	2021-22	2020-21	2019-20	2018-19	2017-18
Defined benefit obligations	6.48	6.53	6.81	7.08	6.82
Experience gain/(loss) adjustments on planned liabilities	0.41	0.96	0.44	0.61	0.49



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### Compensated absences

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Therefore, based on the independent actuarial report, provision for compensated absences has been bifurcated as current and non-current.

### Actuarial assumptions used

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	5.75%	5.40%
Expected salary escalation rate	5.00%	5.00%

### Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 1.31 crore (31 March 2021 : ₹ 1.03 crore). There are no amounts outstanding of post employment benefits, other long-term benefits and share based payment for the current and previous year.

## NOTE 36: EMPLOYEE STOCK OPTION PLAN

### PC Jeweller Limited Employee Stock Option Plan 2011

During the year ended 31 March 2012, the Company had formulated Employee Stock Option Scheme referred to as PC Jeweller Limited Employee Stock Option Plan 2011 (the 'Plan') for all eligible employees/directors of the Company and its subsidiaries.

The plan is implemented by the Nomination and Remuneration Committee constituted by the Company under the policy and framework laid down by the Company and/ or the Board of Directors of the Company, in accordance with the authority delegated to the Nomination and Remuneration Committee in this regard from time to time and subject to the amendments, modifications and alterations to the plan made by the Company and/or the Board of Directors in this regard. The issuance of the options are under the guidance, advice and directions of the Nomination and Remuneration Committee.

Each stock option granted entitles the grantee thereof to apply for and be allotted one equity share of the Company upon vesting. Vesting of the options shall take place over a period of 4 years with a minimum vesting period of 1 year from the grant date.

(a) The vesting schedule is set forth as follows:

Vesting	Number of months from the date of grant of options	Percentage of options vested	Cumulative percentage of options vested
1	12	10	10
2	24	20	30
3	36	30	60
4	48	40	100

The options granted shall vest so long as the employee continues to be in employment with the Company, i.e., the options will lapse if the employment is terminated prior to vesting. Even after the options are vested, un-exercised options may be forfeited if the services of the employee are terminated for reasons specified in the Plan.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(b) Set out below is a summary of options granted under the Plan:

	31 March 2022		31 March 2021	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
<b>Balance at the beginning of the year</b>	<b>10.00</b>	<b>554,524</b>	<b>10.00</b>	<b>903,355</b>
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	10.00	71,014
Options lapsed/forfeited during the year	10.00	37,408	10.00	277,817
<b>Balance at the end of the year</b>	<b>10.00</b>	<b>517,116</b>	<b>10.00</b>	<b>554,524</b>
Vested and exercisable	10.00	517,116	10.00	554,524

(c) Exercise price and expiry dates of share options outstanding at the end of the year:

Grant date	Weighted average remaining contractual life of options outstanding as on		Expiry date	Average exercise price per share	Total share options granted	Share options outstanding as on 31 March 2022	Share options outstanding as on 31 March 2021
	31 March 2022	31 March 2021					
14 May 2015	1.12	2.12	13 May 2023	10.00	726,300	235,000	252,000
25 May 2017	3.16	4.16	24 May 2025	10.00	50,000	-	-
01 August 2017	3.34	4.34	31 July 2025	10.00	100,000	-	-
19 January 2018	3.81	4.81	18 January 2026	10.00	882,537	282,116	302,524
<b>Total</b>						<b>517,116</b>	<b>554,524</b>

(d) The fair value of the options granted has been calculated on the date of grant using Black Scholes option pricing model with the following assumptions:

(i)	Grant date	14 May 2015	25 May 2017	01 August 2017	19 January 2018
(ii)	Expiry date	13 May 2023	24 May 2025	31 July 2025	18 January 2026
(iii)	Fair value of options granted (per share)	₹ 318.22	₹ 393.99	₹ 231.55	₹ 536.47
(iv)	Exercise price	₹ 10	₹ 10	₹ 10	₹ 10
(v)	Share price at grant date	₹ 328.50	₹ 452.60	₹ 251.75	₹ 587.35
(vi)	Weighted historical volatility (%)	52.61	52.82	52.48	51.85
(vii)	Time to maturity-years	8 years	8 years	8 years	8 years
(viii)	Expected dividend yield (%)	0.71	1.23	1.23	1.23
(ix)	Risk free interest rate (%)	7.97- 8.04	6.82- 7.09	6.50- 6.83	7.26- 7.37

The volatility used in the Black Scholes Option Pricing Model is the annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. Informal tests and preliminary research tends to confirm that estimates of the expected long-term future volatility should be based on historical volatility for a period that approximates the expected life of the options being valued. The Company was listed on BSE Limited and National Stock Exchange of India Limited on 27 December 2012. The volatility is determined by taking into account the period since the listing of the Company.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**NOTE 37: RELATED PARTY TRANSACTIONS:**

**List of related parties**

Relationship	Name of the related party
Subsidiaries	PC Universal Private Limited*
	Transforming Retail Private Limited *
	Luxury Products Trendsetter Private Limited*
	PC Jeweller Global DMCC*
	PCJ Gems & Jewellery Limited*
Step down subsidiary	Comercializadora Internacional PC Jeweller International SAS**
Key management personnel (KMP)	Mr. Balram Garg (Promoter and Managing Director)***
	Mr. Sanjeev Bhatia (Chief Financial Officer)
	Mr. Vijay Panwar (Company Secretary)
Directors	Mr. Ramesh Kumar Sharma (Executive Director)
	Mr. Krishan Kumar Khurana (Independent Director)
	Mr. Manohar Lal Singla (Independent Director)
	Mr. Miyar Ramanath Nayak (Independent Director)
	Mrs. Sannovanda Machaiah Swathi (Independent Director)
	Mr. Suresh Kumar Jain (Independent Director)

\*Certain directors of the Company are also directors in these entities.

\*\*With effect from 05 April 2021 it ceased to exist as the company had entered into settlement in its country of incorporation. The company has obtained certificate of dissolution from Chamber of Commerce of Medellin for Antioquia on 09 April 2021.

\*\*\*Also refer note 15(d) for parties with more than 5% voting rights.

Details of transaction between the Company and its related parties are disclosed below:

Particulars	(₹ in crore)					
	Subsidiaries		Key management personnel/ Director and their relatives		Entities where significant influence is exercised by KMP/Directors and/or their relatives having transactions with the Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>(i) Transactions during the year</b>						
<b>Provision for impairment of accrued interest on loan</b>						
PC Universal Private Limited	4.86	4.26	-	-	-	-
	<b>4.86</b>	<b>4.26</b>	-	-	-	-
<b>Loan repaid/adjusted</b>						
PC Universal Private Limited	2.00	-	-	-	-	-
Luxury Products Trendsetter Private Limited	25.05	-	-	-	-	-
	<b>27.05</b>	-	-	-	-	-

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 37: RELATED PARTY TRANSACTIONS (CONTD.):

(₹ in crore)

Particulars	Subsidiaries		Key management personnel/ Director and their relatives		Entities where significant influence is exercised by KMP/Directors and/or their relatives having transactions with the Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Expenses incurred on behalf of</b>						
Transforming Retail Private Limited	0.03	.*	-	-	-	-
Luxury Products Trendsetter Private Limited	0.02	.*	-	-	-	-
	<b>0.05</b>	-	-	-	-	-
<b>Expenses incurred by subsidiary on behalf of company</b>						
Transforming Retail Private Limited	22.07	-	-	-	-	-
	<b>22.07</b>	-	-	-	-	-
<b>Sale Proceeds</b>						
Transforming Retail Private Limited	19.23	-	-	-	-	-
	<b>19.23</b>	-	-	-	-	-
<b>Interest income on loan</b>						
PC Universal Private Limited	4.86	4.64	-	-	-	-
Luxury Products Trendsetter Private Limited	2.08	2.40	-	-	-	-
	<b>6.94</b>	<b>7.04</b>	-	-	-	-
<b>Sale of goods/services (net of sale return)</b>						
Transforming Retail Private Limited	20.52	12.95	-	-	-	-
Luxury Products Trendsetter Private Limited	0.14	(6.60)	-	-	-	-
	<b>20.66</b>	<b>6.35</b>	-	-	-	-
<b>Purchase of goods and services</b>						
Transforming Retail Private Limited	74.54	3.39	-	-	-	-
Luxury Products Trendsetter Private Limited	12.01	33.66	-	-	-	-
	<b>86.55</b>	<b>37.05</b>	-	-	-	-
<b>Reversal of provision for expected credit loss</b>						
Transforming Retail Private Limited	0.37	-	-	-	-	-
PC Universal Private Limited	0.01	-	-	-	-	-
	<b>0.38</b>	-	-	-	-	-



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**NOTE 37: RELATED PARTY TRANSACTIONS (CONTD.):**

(₹ in crore)

Particulars	Subsidiaries		Key management personnel/ Director and their relatives		Entities where significant influence is exercised by KMP/Directors and/or their relatives having transactions with the Company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Reversal of share option investment</b>						
Luxury Products Trendsetter Private Limited	2.32	-	-	-	-	-
	<b>2.32</b>	-	-	-	-	-
<b>Adjustment towards Rent</b>						
Mr. Balram Garg	-	-	0.06	-	-	-
	-	-	<b>0.06</b>	-	-	-
<b>Loan converted into equity</b>						
Mr. Balram Garg	-	-	-	210.99	-	-
	-	-	-	<b>210.99</b>	-	-
<b>Adjustment towards loan</b>						
Mr. Balram Garg	-	-	0.08	0.06	-	-
	-	-	<b>0.08</b>	<b>0.06</b>	-	-
<b>Labour income received</b>						
PC Universal Private Limited	-	0.05	-	-	-	-
	-	<b>0.05</b>	-	-	-	-
<b>Rent paid</b>						
Mr. Balram Garg	-	-	0.03	0.02	-	-
	-	-	<b>0.03</b>	<b>0.02</b>	-	-
<b>Remuneration paid</b>						
Mr. Sanjeev Bhatia	-	-	0.40	0.37	-	-
Mr. Vijay Panwar	-	-	0.40	0.38	-	-
Mr. Ramesh Kumar Sharma	-	-	0.40	0.37	-	-
	-	-	<b>1.20</b>	<b>1.12</b>	-	-
<b>Sitting Fees paid</b>						
Mr. Krishan Kumar Khurana	-	-	0.03	0.02	-	-
Mr. Miyar Ramanath Nayak	-	-	0.01	0.02	-	-
Mr. Manohar Lal Singla	-	-	0.03	0.03	-	-
Mrs. Sannovanda Machaiah Swathi	-	-	0.01	-*	-	-
Mr. Suresh Kumar Jain	-	-	0.01	-*	-	-
	-	-	<b>0.09</b>	<b>0.07</b>	-	-

\* rounded off to nil

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 37: RELATED PARTY TRANSACTIONS (CONTD.):

(₹ in crore)

Particulars	Subsidiaries		Key management personnel/ Director and their relatives		Entities where significant influence is exercised by KMP/ Directors and/or their relatives having transactions with the company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Balance outstanding at the year end</b>						
<b>Loans</b>						
PC Universal Private Limited	79.07	81.08	-	-	-	-
Luxury Products Trendsetter Private Limited	16.92	41.97	-	-	-	-
	<b>95.99</b>	<b>123.05</b>	-	-	-	-
<b>Interest accrued on loan (gross)</b>						
PC Universal Private Limited	49.59	45.21	-	-	-	-
Luxury Products Trendsetter Private Limited	13.88	12.01	-	-	-	-
	<b>63.47</b>	<b>57.22</b>	-	-	-	-
<b>Provision for impairment of loan to subsidiary</b>						
PC Universal Private Limited	30.18	25.31	-	-	-	-
	<b>30.18</b>	<b>25.31</b>	-	-	-	-
<b>Provision for expected credit loss</b>						
Transforming Retail Private Limited	-	0.37	-	-	-	-
PC Universal Private Limited	-	0.01	-	-	-	-
	-	<b>0.38</b>	-	-	-	-
<b>Reimbursement Receivable</b>						
PC Universal Private Limited	0.02	0.02	-	-	-	-
	<b>0.02</b>	<b>0.02</b>	-	-	-	-
<b>Trade receivables (gross)</b>						
PC Universal Private Limited	0.56	0.58	-	-	-	-
Transforming Retail Private Limited	8.02	8.95	-	-	-	-
	<b>8.58</b>	<b>9.53</b>	-	-	-	-
<b>Trade payable</b>						
Luxury Products Trendsetter Private Limited	0.04	17.11	-	-	-	-
	<b>0.04</b>	<b>17.11</b>	-	-	-	-
<b>Investments</b>						
Transforming Retail Private Limited	0.01	0.01	-	-	-	-
Luxury Products Trendsetter Private Limited	0.01*	2.33	-	-	-	-
PC Jeweller Global DMCC	133.86	133.86	-	-	-	-
PC Universal Private Limited	0.05	0.05	-	-	-	-



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**NOTE 37: RELATED PARTY TRANSACTIONS (CONTD.):**

(₹ in crore)

Particulars	Subsidiaries		Key management personnel/ Director and their relatives		Entities where significant influence is exercised by KMP/ Directors and/or their relatives having transactions with the company	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
PCJ Gems & Jewellery Limited	0.05	0.05				
	<b>133.98</b>	<b>136.30</b>	-	-	-	-
<b>Provision for impairment of investment in subsidiary</b>						
PC Universal Private Limited	0.05	0.05	-	-	-	-
	<b>0.05</b>	<b>0.05</b>	-	-	-	-
<b>Loan outstanding</b>						
Mr. Balram Garg	-	-	4.29	4.37	-	-
	-	-	<b>4.29</b>	<b>4.37</b>	-	-
<b>Rent recoverable</b>						
Mr. Balram Garg	-	-	-	0.16	-	-
	-	-	-	<b>0.16</b>	-	-
<b>Remuneration Payable</b>						
Mr. Sanjeev Bhatia	-	-	0.03	0.02	-	-
Mr. Vijay Panwar	-	-	0.03	0.03	-	-
Mr. Ramesh Kumar Sharma	-	-	0.03	0.02	-	-
	-	-	<b>0.09</b>	<b>0.07</b>	-	-
<b>Advances recoverable</b>						
Mr. Sanjeev Bhatia	-	-	0.48	0.48	-	-
Mr. Vijay Panwar	-	-	0.15	0.15	-	-
Mr. Ramesh Kumar Sharma	-	-	0.50	0.50	-	-
	-	-	<b>1.13</b>	<b>1.13</b>	-	-
<b>Sitting Fees Payable</b>						
Mr. Krishan Kumar Khurana	-	-	0.02	0.02	-	-
Mr. Miyar Ramanath Nayak	-	-	0.02	0.02	-	-
Mr. Manohar Lal Singla	-	-	0.03	0.03	-	-
Mrs. Sannovanda Machaiah Swathi	-	-	-	-	-	-
Mr. Suresh Kumar Jain	-	-	._**	._**	-	-
	-	-	<b>0.07</b>	<b>0.07</b>	-	-

\*After reversal of share option investment.

\*\* Rounded off to nil



# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**NOTE 38: Details of amounts due from entities pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and disclosure under section 186(4) of the Act:**

As at 31 March 2022

Particulars	(₹ in crore)					
	PCJ Gems & Jewellery Limited (Wholly owned Subsidiary)	PC Universal Private Limited (Wholly owned Subsidiary)	Luxury Products Trendsetter Private Limited (Wholly owned Subsidiary)	Transforming Retail Private Limited (Wholly owned Subsidiary)	PC Jeweller Global DMCC (Wholly owned Subsidiary)	Shivani Sarees Private Limited
<b>Investments</b>						
Investments at the beginning of the year	0.05	-*	2.33	0.01	133.86	-
Additions during the financial year	-	-	-	-	-	-
Less: Reversal of share option investment	-	-	(2.32)	-	-	-
Investments at the end of the financial year	0.05	-*	0.01	0.01	133.86	-
<b>Loans and advances</b>						
Loans at the beginning of the year (including accrued interest)	-	126.29	53.98	-	-	9.47
Additions during the year	-	-	-	-	-	-
Interest income during the year	-	4.86	2.08	-	-	0.56
Repayment/adjustment during the year	-	2.00	25.05	-	-	-
Interest paid during the year	-	-	-	-	-	1.32
TDS on Interest	-	0.49	0.21	-	-	0.06
Loans at the end of the year (including accrued interest)	-	128.66	30.80	-	-	8.65
Provision for impairment of loan to subsidiary	-	(30.18)	-	-	-	-
Maximum balance outstanding during the year	-	128.66	53.98	-	-	9.47
Rate of interest	NA	Refer note (ii)	Refer note (ii)	NA	NA	Refer note (iv)
Repayment terms	NA	Refer note (iii)	Refer note (iii)	NA	NA	Refer note (v)

### Notes :

- (i) The Company has given loans to above entities for business purposes. All the loans given are unsecured loans.
- (ii) As per the agreement, the rate of interest for the loan is the prevailing 5 year government bond yield.
- (iii) The loan is to be repaid within 7 years from the date of the receipt of each tranche of loan.
- (iv) As per the agreement, the rate of interest for the loan is the prevailing 10 year government bond yield.
- (v) The loan is to be repaid in 10 half yearly installments commencing from 1 April 2024.

\* Net of impairment


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**
**As at 31 March 2021**
**(₹ in crore)**

Particulars	PCJ Gems & Jewellery Limited (Wholly owned Subsidiary)	PC Universal Private Limited (Wholly owned Subsidiary)	Luxury Products Trendsetter Private Limited (Wholly owned Subsidiary)	Transforming Retail Private Limited (Wholly owned Subsidiary)	PC Jeweller Global DMCC (Wholly owned Subsidiary)	Shivani Sarees Private Limited
<b>Investments</b>						
Investments at the beginning of the year	0.05	-*	2.33	0.01	133.86	-
Additions during the financial year	-	-	-	-	-	-
Investments at the end of the financial year	0.05	-*	2.33	0.01	133.86	-
<b>Loans and advances</b>						
Loans at the beginning of the year (including accrued interest)	-	122.03	51.78	-	-	9.03
Additions during the year	-	-	-	-	-	-
Interest income during the year	-	4.64	2.40	-	-	0.47
Repayment/adjustment during the year	-	-	-	-	-	-
Interest paid during the year	-	0.38	0.20	-	-	0.03
Loans at the end of the year (including accrued interest)	-	126.29	53.98	-	-	9.47
Provision for impairment of loan to subsidiary	-	(25.31)	-	-	-	-
Maximum balance outstanding during the year	-	126.67	54.18	-	-	9.50
Rate of interest	NA	Refer note (ii)	Refer note (ii)	NA	NA	Refer note (iv)
Repayment terms	NA	Refer note (iii)	Refer note (iii)	NA	NA	Refer note (v)

**Notes :**

- (i) The Company has given loans to above entities for business purposes. All the loans given are unsecured loans.  
(ii) As per the agreement, the rate of interest for the loan is the prevailing 5 year government bond yield.  
(iii) The loan is to be repaid within 7 years from the date of the receipt of each tranche of loan.  
(iv) As per the agreement, the rate of interest for the loan is the prevailing 10 year government bond yield.  
(v) The loan is to be repaid in 10 half yearly installments commencing from 1 April 2024.

\* Net of impairment

**NOTE 39: HEDGING ACTIVITY AND DERIVATIVES**

- (i) The Company enters into foreign currency forward contracts to hedge against the foreign currency risk relating to payment of foreign currency payables. The Company does not apply hedge accounting on such relationships. Further, the Company does not enter into any derivative transactions for speculative purposes.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### Fair value hedge of gold price risk in inventory

The Company enters into contracts to purchase gold wherein the Company has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Company designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. There is no ineffectiveness in the relationships designated by the Company for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

### As at 31 March 2022

Since there are no outstanding hedging instruments i.e. option to fix gold prices with respect to fair value hedge accounting as at 31 March 2022, there is no impact of change in fair value of the hedged item i.e. inventory of gold.

### As at 31 March 2021

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Impact of change in fair value relating to the hedged risk
	Assets	Liabilities	Assets	Liabilities				
	Hedged item - inventory of gold	10.77	-	Not applicable				
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	0.88	-	Range - within 6 months	Trade payables	0.88	

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

## NOTE 40: FINANCIAL INSTRUMENTS

### i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates;

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Financial assets and liabilities measured at fair value - recurring fair value measurements

	(₹ in crore)			
	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2022</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	2.48	-	-	2.48
<b>Derivative instruments</b>				
Option to fix prices of gold in purchase contracts	-	-	-	-
<b>Total financial assets</b>	<b>2.48</b>	<b>-</b>	<b>-</b>	<b>2.48</b>
<b>Financial liabilities</b>				
<b>Derivative instruments</b>				
Forward contracts	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2021</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	8.06	-	-	8.06
<b>Derivative instruments</b>				
Option to fix prices of gold in purchase contracts	0.88	-	-	0.88
<b>Total financial assets</b>	<b>8.94</b>	<b>-</b>	<b>-</b>	<b>8.94</b>
<b>Financial liabilities</b>				
<b>Derivative instruments</b>				
Forward contracts	-	3.22	-	3.22
<b>Total financial liabilities</b>	<b>-</b>	<b>3.22</b>	<b>-</b>	<b>3.22</b>

### (ii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for investments in mutual funds.
- Use of market available inputs such as gold prices and foreign exchange rates for option to fix prices of gold in purchase contracts and foreign currency forward contracts.

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 41: FINANCIAL RISK MANAGEMENT

#### i) Financial instruments by category

(₹ in crore)

Particulars	31 March 2022		31 March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments				
- mutual funds	2.48	-	8.06	-
Loans				
- to subsidiaries	-	129.29	-	154.96
- to body corporate	-	8.65	-	9.47
Trade receivables	-	1,346.58	-	1,305.33
Security deposits	-	28.26	-	26.00
Cash and cash equivalents	-	20.80	-	54.51
Other receivables	-	0.02	-	0.02
Unclaimed dividend account	-	0.09	-	0.10
Bank deposits	-	36.88	-	122.08
<b>Total</b>	<b>2.48</b>	<b>1,570.57</b>	<b>8.06</b>	<b>1,672.47</b>
<b>Financial liabilities</b>				
Borrowings	-	3,282.69	-	2,295.15
Trade payables*	-	15.40	-	920.23
Lease liabilities	-	107.84	-	119.97
Derivative financial liability	-	-	3.22	-
Other financial liabilities	-	38.29	-	51.59
<b>Total</b>	<b>-</b>	<b>3,444.22</b>	<b>3.22</b>	<b>3,386.94</b>

\*Trade payables for 31 March 2021 included the value of the option to fix prices on gold purchases (embedded derivative) that is carried at FVTPL. The value of such embedded derivative which was financial asset of ₹ 0.88 crore as at 31 March 2021 was reduced from value of trade payables (as discussed further below).

- The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.
- The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following table presents the option to fix prices on gold purchases that are added to/offset with trade payables, as at 31 March 2022 and 31 March 2021:

(₹ in crore)

Particulars	Amount of trade payables	Gross amounts set off/ added to the balance sheet	Amounts presented in the balance sheet
31 March 2022	15.40	-	15.40
31 March 2021	921.11	(0.88)	920.23

Option to fix prices on gold purchases is an embedded derivative that will be settled together with the trade payables. Accordingly, such amounts are either added to or offset with but are shown separately in the table above.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade Receivables, Corporate Advances (Loans to subsidiaries)	Ageing analysis and impairment testing	The Company has old and existing relationship with its debtors and continues to remain confident of realizing the same in due course of time. The Company has therefore not classified any of its pending debt as bad or unrecoverable. However, at the same time, as a mark of adequate financial prudence, the Company has during the current financial year made provision in the form of ECL to the tune of ₹ 188.07 crore.  The Company has extended loans to its two subsidiaries to provide them with working capital support.
Liquidity risk	Operational expenditure, vendor payments, bank interest & other statutory liabilities	Cash flow forecasts	Availability of credit lines and borrowing facilities. The Company has applied to its lender banks for restructuring of its debt and its proposal is under consideration.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting sensitivity analysis	The Company is a net foreign exchange positive unit and hence does not foresee any forex risk on its financials.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	The Company has already applied to its lender banks for freezing its borrowing interest rate and the same is under consideration.
Market risk - security price	Investments in mutual funds	Sensitivity analysis	The Company's investments in mutual funds is non material vis a vis its balance sheet size.
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	The Company deals in gold jewellery wherein its sales are also linked with gold prices and hence does not foresee any market risk linked with gold prices.

The Company's board has approved a comprehensive Risk Management Policy as well as Forex & Commodity Risk Management Policy. Taken together these two policies cover nearly the entire gamut of the Company's operations.

#### A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from outstanding trade receivables to whom the Company has either made direct sales or sent the goods on consignment.

However, the majority of Company's sales are in the domestic segment in which no credit is involved. The credit risk arises only from the export sales which are on a B2B basis and on a credit basis. Though the receivable realization used to be on time, for the past three years there have been overdues and currently the entire lot of outstanding export receivables are overdue.

The Company however, has old and existing relationship with its debtors and continues to remain confident of realizing the same in due course of time. The Company has therefore not classified any of its outstanding debt as bad or unrecoverable. However, at the same time, as a mark of adequate financial prudence, the Company has during the current financial year made provision in the form of ECL to the tune of ₹ 188.07 crore.

The Company has extended loans to two of its wholly owned subsidiaries namely PC Universal Private Limited and Luxury Products Trendsetter Private Limited to provide them with working capital support details of which have been disclosed in Note-38.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Detail of trade receivables that are past due is given below:

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Not due	20.92	84.13
0-30 days past due	191.27	57.17
31-60 days past due	12.72	0.62
61-90 days past due	0.06	-
More than 90 days past due	1,372.24	1,225.97
Expected credit loss (loss allowance provision)	(250.63)	(62.56)
	<b>1,346.58</b>	<b>1,305.33</b>

Expected credit losses of financial assets (other than trade receivables) is given below:

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Loan to subsidiaries	159.46	180.27
Expected credit loss (loss allowance provision)	(30.18)	(25.31)
	<b>129.28</b>	<b>154.96</b>

Reconciliation of loss allowance provision from beginning to end of reporting period:

	(₹ in crore)	
	Trade receivables	Other financial assets
Loss allowance on 1 April 2020	62.56	21.05
Loss allowance created during the year	-	4.26
<b>Loss allowance as on 31 March 2021</b>	<b>62.56</b>	<b>25.31</b>
Loss allowance on 1 April 2021	62.56	25.31
Loss allowance created during the year	188.07	4.87
<b>Loss allowance as on 31 March 2022</b>	<b>250.63</b>	<b>30.18</b>

### Concentration of financial assets

Concentration of credit risk with respect to trade receivables are limited, due to the Company's consumer base being large and diverse.

The Company's exposure to credit risk for trade receivables is presented below:

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
<b>Concentration of trade receivables*</b>		
Export wholesale customers	1,323.53	1,277.49
Domestic wholesale customers	9.22	13.00
Franchise stores	13.10	14.54
Others	0.73	0.30
	<b>1,346.58</b>	<b>1,305.33</b>

\*Net of expected credit loss amounting to ₹ 250.63 crore (31 March 2021 : ₹ 62.56 crore)



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### B) Liquidity risk

The liquidity risk management involves adjusting the operational expenditure, vendor payments, bank interest & other statutory liabilities etc with the incoming cash flows. The Company has applied to its lender banks for restructuring of its debt and its proposal is under consideration.

#### Contractual maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

(₹ in crore)

31 March 2022	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>						
Borrowings (including interest)	3,282.69	-	-	-	-	3,282.69
Trade payables	-	15.40	-	-	-	15.40
Other financial liabilities	0.09	38.19	-	-	-	38.28
Lease liabilities (including interest)	-	33.31	28.67	24.30	62.49	148.77
<b>Total</b>	<b>3,282.78</b>	<b>86.90</b>	<b>28.67</b>	<b>24.30</b>	<b>62.49</b>	<b>3,485.14</b>

(₹ in crore)

31 March 2021	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>						
Borrowings (including interest)	2,293.82	1.05	0.22	0.11	0.02	2,295.22
Trade payables	-	920.23	-	-	-	920.23
Other financial liabilities	0.10	51.51	-	-	-	51.61
Lease liabilities (including interest)	-	32.12	30.54	27.29	73.75	163.70
<b>Total</b>	<b>2,293.92</b>	<b>1,004.91</b>	<b>30.76</b>	<b>27.40</b>	<b>73.77</b>	<b>3,430.76</b>

### C) Market risk - foreign exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. However, the Company is a net foreign exchange positive unit and hence does not foresee any forex risk on its financials.

#### Sensitivity

The sensitivity to profit or loss from changes in the exchange rates arises mainly from financial instruments denominated in USD. In case of a reasonably possible change in INR/USD exchange rates of +/- 4 % (previous year +/-4%) at the reporting date, keeping all other variables constant, there would have been corresponding impact on losses/profits of ₹ 52.22 crore (previous year ₹ 39.15 crore).

### D) Interest rate risk

#### i) Liabilities

The Company does not have any long term financing. As on 31st March 2022, the Company is exposed to changes in market interest rates through bank borrowing at variable interest rates, however, it has applied to its Lenders for bringing its borrowings to a fixed rate regime and the same is under consideration.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	(₹ in crore)	
	31 March 2022	31 March 2021
Variable rate borrowing	3,278.40	2,289.45
Fixed rate borrowing	4.29	4.79
<b>Total borrowings</b>	<b>3,282.69</b>	<b>2,294.24</b>

### Sensitivity

The sensitivity to profit or loss in case of a reasonably possible change in interest rates of +/- 50 basis points (previous year: +/- 50 basis points), keeping all other variables constant, would have resulted in corresponding impact on losses/profits by ₹ 12.27 crore (previous year ₹ 8.57 crore).

### ii) Assets

The Company's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## E) Market risk - security price

### Exposure from investments in mutual funds:

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet as current investments. However, the Company's investments in mutual funds is non material vis a vis its balance sheet size.

### Sensitivity:

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in corresponding impact on (losses)/profits by ₹ 0.09 crore (previous year ₹ 0.30 crore).

## F) Market risk - gold prices:

The Company's exposure to price risk also arises from trade payables of the Company that are at unfixed prices, and, therefore, payment is sensitive to changes in gold prices. However, the Company does not have any unfixed trade payables as on 31 March 2022. Hence, there is no market risk linked to gold prices.

## NOTE 42: CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

(a) Particulars	(₹ in crore)	
	31 March 2022	31 March 2021
Non-current borrowings (refer note 17)	-	0.32
Current borrowings (refer note 19)	3,282.69	2,293.82
Other financial liability (refer note 21)	-	1.01
Less: Cash and cash equivalents (refer note 13)	(20.80)	(54.51)
<b>Net debts</b>	<b>3,261.89</b>	<b>2,240.64</b>
Equity share capital (refer note 15)	465.40	465.40
Other equity (refer note 16)	3,418.39	3,809.94
<b>Total capital</b>	<b>3,883.80</b>	<b>4,275.34</b>
<b>Gearing ratio</b>	<b>83.99%</b>	<b>52.41%</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 43: MICRO, SMALL AND MEDIUM ENTERPRISES

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as at the balance sheet date is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

		(₹ in crore)	
Particulars		31 March 2022	31 March 2021
(a)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
	Principal amount due to micro and small enterprises	0.16	0.31
	Interest due on above	0.29	0.21
(b)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.29	0.21
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.29	0.21

### NOTE 44: CONTINGENT LIABILITY

		(₹ in crore)	
		31 March 2022	31 March 2021
a)	Claims against the Company not acknowledged as debts*#	1.01	1.01
b)	Demand from the income-tax authorities*	0.19	5.47
c)	Demands from the Custom authorities against which appeals have been filed (amounts paid under protest ₹ 2.43 crore)	2.43	2.43
d)	Demands from the sales tax authorities against which appeals have been filed*	8.24	8.24

\*Excluding interest, if any, which is not ascertainable

#Company has furnished bank guarantees amounting to ₹ 0.46 crore for ongoing litigations

### NOTE 45: LEASES

The Company's lease asset primarily consist of leases for buildings for showrooms and offices having various lease terms.

#### i) Lease liabilities are presented in the balance sheet as follows:

		(₹ in crore)	
Particulars	As at 31 March 2022	As at 31 March 2021	
Current	30.09	29.54	
Non-current	77.75	90.43	
<b>Total</b>	<b>107.84</b>	<b>119.97</b>	

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 41(ii)(B).

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The Company has leases for the factory, offices and showrooms. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts. The Company has considered automatic extension option available for the property leases in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period as the Company is likely to be benefited by exercising the extension option.

- ii) The recognised right-of-use assets relate to retail outlets and other marketing offices as at 31 March 2022.

(₹ in crore)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Right-of-use assets- retail outlets and other marketing offices</b>		
Balance as at 1 April 2021	92.91	105.91
Add: Additions on account of new leases entered during the year	11.09	7.37
Less: Termination/ modifications	3.82	(0.25)
Less: Amortisation expense charged on the right-of-use assets	19.59	20.62
<b>Balance as at 31 March 2022</b>	<b>80.59</b>	<b>92.91</b>

- iii) The following are amounts recognised in statement of profit and loss:

(₹ in crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amortisation expense of right-of-use assets	19.59	20.62
Interest expense on lease liabilities	13.43	14.63
Rent expense	4.49	3.38
<b>Total</b>	<b>37.51</b>	<b>38.63</b>

- iv) Lease payments not recognised as a liability

(₹ in crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenses relating to short term leases (included in other expenses)	2.40	3.09
Expenses relating to variable lease payments not included in lease payments	0.18	0.29
<b>Total</b>	<b>2.58</b>	<b>3.38</b>

- v) At 31 March 2022, the Company was committed to short-term leases and the total commitment at that date was ₹ 2.03 crore.

- vi) Total cash outflow for leases for the year ended 31 March 2022 was ₹ 32.11 crore.

- vii) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)
Retail outlets and offices	68	1-9	3.85



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The company has a right to extend/terminate its leasing arrangements beyond the initial agreement/lock in period. For the assessment of lease term as per Ind AS 116, the management of the Company has considered the extension options and not considered the early termination options wherever available for its property leases in its lease period assessment since the Company is likely to be benefited from a longer lease tenure.

viii) During the year ended 31 March 2022, the Company has renegotiated with certain landlords on rent reduction/waiver due to Covid-19 pandemic. The management believes that such reduction/waiver in rent is short term in nature and meets the conditions in accordance with the notification dated July 24, 2020 issued by the Central Government in consultation with National Financial Reporting Authority as per Companies (Indian Accounting Standards) Amendment Rules, 2020 effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification. Accordingly, the company has recognized ₹ 3.25 crores in the Statement of Profit and Loss as "Other income" during the year ended 31 March 2022.

### NOTE 46: CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of the Act. The CSR committee has been formed by the Company as per the Act. A CSR committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalisation of such proposals in due course.

(₹ in crore)

S.No	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Amount required to be spent by the Company during the year	0.94	6.37
(ii)	Amount of expenditure incurred	-	-
(iii)	Shortfall at the end of the year	0.94	6.37
(iv)	Total of previous years shortfall	6.37	-
(v)	Reasons for shortfall	Refer note below	Refer note below
(vi)	Nature of CSR activities	-	-
(vii)	Details of related party transactions e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant accounting standards	-	-
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision	-	-

**Note:** The Company's liquidity position had become very constrained after March 2020 on account of lockdowns and disruptions in business due to spread of covid-19 pandemic. During FY 2020-21, a cheque for ₹ 6.50 crore was issued by the Company towards CSR expenditure to an implementing agency as approved by Corporate Social Responsibility Committee and the Board of Directors which however, could not get cleared subsequently due to liquidity constraints. Thereafter, the Company's accounts with its Lenders turned NPA as on 30 June 2021 and its banking transactions got highly restricted. Therefore, the CSR expenditure for FY 2020-21 and 2021-22 remains unspent. Further the Company submitted a request to its Lead Bank (State Bank of India) for opening a special current account under the nomenclature of "Unspent Corporate Social Responsibility Account" in March 2022 on which no action was taken by the Bank. However, the Company's resolution process is under active consideration with its Lenders and it is confident of meeting the necessary compliances as per the law post implementation of the resolution process.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 47: RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS -7 CASH FLOWS

The changes of the Company's liabilities arising from financing activities can be classified as follows:

Particulars	(₹ in crore)				
	Long term borrowings	Short term borrowings	Equity share capital	Lease liabilities	Total
Net debt as at 01 April 2020	12.00	2,282.40	395.00	131.63	2,821.03
Proceeds from allotment of employee stock options	-	-	0.07	-	0.07
New leases	-	-	-	6.55	6.55
Termination/modification of leases	-	-	-	(9.55)	(9.55)
Repayment of non-current borrowings (net)	(11.58)	-	-	-	(11.58)
Payment of lease liabilities	-	-	-	(23.29)	(23.29)
Payment of interest on lease liabilities	-	-	-	14.63	14.63
Proceeds of short term borrowings (net)	-	222.47	-	-	222.47
Loan/interest paid	-	(0.06)	-	-	(0.06)
Prefential allotment of Equity Shares	-	(210.99)	70.33	-	(140.66)
<b>Net debt as at 31 March 2021</b>	<b>0.42</b>	<b>2,293.82</b>	<b>465.40</b>	<b>119.97</b>	<b>2,879.61</b>
Proceeds from allotment of employee stock options	-	-	-	-	-
New leases	-	-	-	10.64	10.64
Termination/modification of leases	-	-	-	(7.67)	(7.67)
Repayment of non-current borrowings (net)	(0.42)	-	-	-	(0.42)
Payment of lease liabilities	-	-	-	(28.53)	(28.53)
Payment of interest on lease liabilities	-	-	-	13.43	13.43
Proceeds of short term borrowings (net)	-	1,140.09	-	-	1,140.09
Loan/interest paid	-	(151.22)	-	-	(151.22)
Prefential allotment of Equity Shares	-	-	-	-	-
<b>Net debt as at 31 March 2022</b>	<b>-</b>	<b>3,282.69</b>	<b>465.40</b>	<b>107.84</b>	<b>3,855.93</b>

### NOTE 48: SEGMENT INFORMATION

Disclosure for segment information as required by Ind AS 108 'Operating Segment', notified under the Act has been provided in the consolidated financial statements of the Company comprising the Company and its wholly owned subsidiaries.

### NOTE 49: IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

Ind AS 115: Revenue from Contracts with Customers, establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### (a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography.

	(₹ in crore)	
Revenue from operations	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue by geography</b>		
Export	195.83	113.18
Domestic	1,378.22	2,556.16
<b>Total</b>	<b>1,574.05</b>	<b>2,669.34</b>

### (b) Assets and liabilities related to contracts with customers

	(₹ in crore)	
Description	Year ended 31 March 2022	Year ended 31 March 2021
	<b>Current</b>	<b>Current</b>
<b>Contract liabilities related to sale of goods</b>		
Advance from customers	56.82	47.75

### (c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

	(₹ in crore)	
Description	Year ended 31 March 2022	Year ended 31 March 2021
Contract price	1,577.81	2,673.84
Less: Discount, rebates, credits etc.	3.76	4.50
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>1,574.05</b>	<b>2,669.34</b>

#### NOTE 50: IMPACT OF COVID-19 CRISIS

The retail industry as a whole has been adversely impacted due to COVID-19 and consequent restrictions resulting out of it. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventory, receivable and other current assets. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of financial results. Based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered. However, given the continuing uncertainty on account of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial results.

#### NOTE 51: DISCOUNT TO EXPORT CUSTOMERS

During the financial year ended 31 March 2019, the Company had provided discounts to its export customers aggregating to ₹ 513.65 crore and had submitted the requisite applications for approval from the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Act, 1999. Subsequently, the Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 323.07 crore. However, for the remaining discounts of ₹ 190.58 approvals are still awaited from the said authorities. Further, the management does not expect any material penalty to be levied on account of this matter and, therefore, no provision for the same has been provided in the books of accounts.

### NOTE 52: DELAY IN RECEIPT OF FOREIGN CURRENCY AGAINST EXPORT

Trade receivables as at 31 March 2022, inter alia, include outstanding from export customers aggregating to ₹ 1574.17 crore (net of discount explained in note 51 above) and without considering provision for expected credit loss which have been outstanding for more than 9 months. The Company had filed necessary applications with the requisite authority per the regulations of the Foreign Exchange Management Act, 1999 for condonation of delays in repatriation of funds by its customers. The management is of the view that the possible penalties that may be levied, are currently unascertainable but would not be material and accordingly, no consequential adjustments have been made in the books of accounts with respect to such default. However, the management has made expected credit loss (ECL) provision of ₹ 188.07 crore in respect of these overdue receivables in compliance with Ind AS 109 'Financial Instruments'. This ECL provision amount is included in other expenses for the year ended 31 March 2022.

### NOTE 53: RECOVERABILITY OF INVESTMENTS, LOANS AND SHORT-TERM FINANCIAL ASSETS, GIVEN TO/DUE FROM SUBSIDIARY COMPANIES

"The Company has investments of ₹ 133.98 crore (previous year ₹ 136.30 crore) (excluding impairment) in its five wholly-owned subsidiary companies viz PC Universal Private Limited, Luxury Products Trendsetter Private Limited, Transforming Retail Private Limited, PC Jeweller Global DMCC and PC Gems & Jewellery Limited as at 31 March 2022. The Company has also given non current loans amounting to ₹ 96 crore (previous year ₹ 123.05 crore) to two of its subsidiaries, PC Universal Private Limited and Luxury Products Trendsetter Private Limited and has interest receivable from them amounting to ₹ 63.47 crore (previous year ₹ 57.22 crore) (excluding impairment) which is classified under current financial assets. Further, the Company has trade receivables amounting to ₹ 8.60 crore (previous year ₹ 9.53 crore) (excluding provision for expected credit loss) recoverable from PC Universal Private Limited, Luxury Products Trendsetter Private Limited and Transforming Retail Private Limited."

Owing to the current operations and net worth of these subsidiaries, the management has carried out the impairment assessment as at 31 March 2022 using the 'Discounted Cash Flow valuation model' on the total exposure in its subsidiaries in the form of investments and receivables in subsidiaries (loan, interest accrued and trade receivables). The Company as at 31 March 2021 had provision for impairment in investment of ₹ 0.05 crore and provision for doubtful receivables of ₹ 25.31 crore in respect of PC Universal Private Limited. Basis the assessment this year the Company has recognised an additional provision for impairment of ₹ 4.86 crore in respect of PC Universal Private Limited.

### NOTE 54: ADDITIONAL REGULATORY INFORMATION

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### a) Ratios

The following are analytical ratios for the year ended as on 31 March 2022 and 31 March 2021

S.no.	Particulars	Numerator	Denominator	31 March 2022	31 March 2021	Variance %
i)	Current Ratio	Current Assets	Current Liability	1.96	2.11	(7.11)
ii)	Debt-Equity Ratio	Total Debt <sup>1</sup>	Shareholder' equity	0.85	0.74	14.86
iii)	Debt-Service Coverage Ratio	Earning available for debt Service	Debt Service	0.41	1.25	(67.20)*
iv)	Return on equity (ROE) Ratio	Net Profits after Tax	Average Shareholder Equity	(0.10)	0.01	(1,100.00)*
v)	Inventory Turnover Ratio	Sales	Average inventory	0.28	0.48	(41.67)*
vi)	Trade Receivable Turnover Ratio	Sales	Average Account Receivable	1.19	1.73	(31.21)*
vii)	Trade Payable Turnover Ratio	Net Credit Purchase	Average Trade payable	2.35	2.67	(11.99)
viii)	Net Capital Turnover Ratio	Net Sales	Working Capital	0.46	0.69	(33.33)*
ix)	Net Profit Ratio	Net Profit X 100	Net Sales	(24.75)	2.28	(1,185.53)*
x)	Return on Capital Employed	Earning before interest and taxes X 100	Capital employed	(0.99)	5.36	(118.47)*
xi)	Return on investment :					
a)	Quoted	Income generated from investment	Time weighted average investment	0.20	0.51	(60.78)**
b)	Unquoted	Income generated from investment	Time weighted average investment	0.05	0.04	25.00

<sup>1</sup> Total debt represents lease liability and borrowings

\* The Company's turnover declined significantly during FY 2021-22 on account of covid-19 resurgence as well its accounts turning NPA, which affected its business operations very adversely. The resultant business loss as well as additional non-cash expense of ECL provision amounting to ₹ 188.07 crore have adversely affected the Company's financial parameters.

\*\* Due to market factors

- b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- c) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- d) The Company has submitted Stock and debtors statement to the banks and also the Financial Follow-up Report (FFR). The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company except the variances listed below:

Particulars	Amount as per statements submitted to bankers (₹ in crore)	Amount as per books of accounts (₹ in crore)	Differences in Amount (₹ in crore)	Differences in %
<b>Inventory</b>				
Qtr. ended June 2021	5,709.78	5,779.98	(70.20)	(1.23)
Qtr. ended Sept 2021	5,604.91	5,600.31	4.60	0.08
Qtr. ended Dec 2021	5,534.79	5,542.46	(7.67)	(0.14)
Qtr. ended Mar 2022	5,518.79	5,516.23	2.56	0.05



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	Amount as per statements submitted to bankers (₹ in crore)	Amount as per books of accounts (₹ in crore)	Differences in Amount (₹ in crore)	Differences in %
<b>Sundry Receivables</b>				
Qtr. ended June 2021	1,310.66	1,321.16	(10.50)	(0.80)
Qtr. ended Sept 2021	1,497.71	1,511.14	(13.43)	(0.90)
Qtr. ended Dec 2021	1,498.54	1,507.68	(9.14)	(0.61)
Qtr. ended Mar 2022	1,490.44	1,346.58	143.86*	9.65*

\* Mainly on account of Foreign exchange restatements and ECL provisions.

e) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

f) The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013

Name of struck off company	Nature of transactions with struck off Company	Amount of transaction (₹ in crore)	Balance outstanding (₹ in crore)	Relationship with the Struck off Company
Vaseem Patel Buildcon India Pvt. Ltd.	Outstanding amount received in lieu of sale	0.08	-	Retail Customer
Kothari Intergroup Ltd.	Shares held by the company as on reporting date	-	-	Share holder*

\* 10 shares were held by struck off company as on 31 March 2022

g) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period. There were no delays in compliance related to creation/modification/satisfaction of charges beyond the statutory period, except as under:-

S.No.	Charge ID	Nature	Date of creation/ modification of charge	Date of charge registration with ROC	Period of delay	ROC location	Reason for delay in registration
(1)	100442615	Creation	30 March 2021	14 May 2021	15 days	ROC-Delhi	Delay in affixing DSC by the Bank
(2)	100442615	Modification	30 March 2021	5 July 2021	67 days	ROC-Delhi	Delay in affixing DSC by the Bank
(3)	100442615	Modification	30 December 2021	1 February 2022	3 days	ROC-Delhi	Due to oversight

h) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.

i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

j) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

- k) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- l) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- m) The Company has the following balances against the loans granted or advances in the nature of loans wherein there is no specific schedule of repayment of principal or payment of interest:

Type of Borrower	Amount (₹ in crore) of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advance in the nature of loans	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Directors	0.50	0.50	0.30%	0.26%
KMPs	0.63	0.63	0.37%	0.33%
Related Party (Subsidiaries)	159.47	180.27	94.23%	94.45%

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For and on behalf of the Board of Directors

**For Arun K Agarwal & Associates**

Chartered Accountants

Firm's Registration No.: 003917N

Sd/-

**Arun Kumar Agarwal**

Partner

Membership No. 082899

Sd/-

**Ramesh Kumar Sharma**

Executive Director

DIN-01980542

Sd/-

**Vijay Panwar**

Company Secretary

Membership No. A19063

Sd/-

**Balram Garg**

Managing Director

DIN-00032083

Sd/-

**Sanjeev Bhatia**

Chief Financial Officer

Place: New Delhi

Date: 30 May 2022

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Standalone)

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022

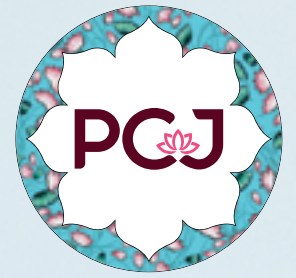
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(₹ in crores except earnings per share)

I.	Sl No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,574.05 / 1,633.56	1,574.05 / 1,633.56
	2.	Total Expenditure	2141.71	2141.71
	3.	Net Profit / (Loss)	(508.15)	(508.15)
	4.	Earnings Per Share	(8.37)	(8.37)
	5.	Total Assets	7537.81	7537.81
	6.	Total Liabilities	3654.02	3654.02
	7.	Net Worth	3883.79	3883.79
	8.	Any other financial item(s) (as felt appropriate by the management)	No	No
II	<b>Audit Qualification (each audit qualification separately)</b>			
	a.	<b>Details of Audit Qualification:</b>		
		<p>As explained in Note 5 to the accompanying Statement, the Company during the financial year ended 31 March 2019 had provided discounts of ₹ 513.65 crore to its export customers which had been adjusted against the revenues for the said year. The Company had initiated the process of complying with the requirements of the Master Circular on Exports of Goods and Services issued by the Reserve Bank of India and had filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. Subsequently, the Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 323.07 crore. For the remaining discounts of ₹ 190.58 crore, in the absence of requisite approvals and material evidence related to such transactions, we are unable to comment on the impact, if any, of the same on the accompanying Statement. Auditor's Opinion for the year ended 31 March 2019, 31 March 2020, and 31 March 2021 and our conclusion for the quarter ended 30 June 2021, 30 September 2021 and 31 December 2021 were also modified in respect of this matter.</p>		
	b.	<b>Type of Audit Qualification :</b> Qualified Opinion		
	c.	<b>Frequency of qualification:</b> Has been appearing since year ended 31 March 2019		
	d.	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not Applicable		
	e.	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>		
	(i)	<b>Management's estimation on the impact of audit qualification:</b> Not Applicable		
	(ii)	<p><b>If management is unable to estimate the impact, reasons for the same:</b> The management had extended the discounts as on 31 March 2019 in view of the genuine business problems and operational issues being faced by its overseas buyers. The discount extended amounted to one-time discount of 25% of the export value of outstanding receivables as on 31 March 2019. The discount extended is in accordance with the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management Act, 1999 and the management does not expect any material penalty to be levied and therefore, no provision for the same has been recognized in these financial results.</p>		
	(iii)	<p><b>Auditors' Comments on (i) or (ii) above:</b> Refer our qualification above, in the absence of such approval and material evidence related to the transaction, we are unable to comment on the impact, if any, of the same on the accompanying standalone financial results.</p>		
III	<b>Signatories:</b>			
	•	<b>CEO/Managing Director</b>	Sd/-	
	•	<b>CFO</b>	Sd/-	
	•	<b>Audit Committee Chairman</b>	Sd/-	
	•	<b>Statutory Auditor</b>	Sd/-	

Place: New Delhi

Date: 30 May 2022



# **CONSOLIDATED FINANCIAL STATEMENTS**



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PC JEWELLER LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

1. We have audited the accompanying consolidated financial statements of PC Jeweller Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), as listed in "Annexure A", which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2022 and their consolidated loss (including other comprehensive income), the consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

3. As explained in Note 50 to the accompanying consolidated financial statements, the Holding Company during the financial year ended 31 March 2019 had provided discounts of ₹ 513.65 crore to its export customers which had been adjusted against the revenues for the said year. The Holding Company had initiated the process of complying with the requirements of the Master Circular on Exports of Goods and Services issued by the Reserve Bank of India and had filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. Subsequently,

the Holding Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 323.07 crore. For the remaining discounts of ₹ 190.58 crore, in the absence of requisite approvals and material evidence related to such transactions, we are unable to comment on the impact, if any, of the same on the accompanying consolidated financial statements. Auditor's opinion for the year ended 31 March 2019, 31 March 2020 and 31 March 2021 were also modified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matters

5. We draw attention to Note 51 to the accompanying consolidated financial statements regarding the delays in receipt of proceeds denominated in foreign currency against export of goods made by the Holding Company to its overseas customers aggregating to ₹ 1574.17 crore outstanding as on 31 March 2022, beyond the timelines stipulated under the Foreign Exchange Management Act, 1999. The management of the Holding Company has filed the necessary applications with the appropriate authority for condonation of such delays to regularize the default. Pending condonation of such delay by the appropriate authority, management is of the view that the possible penalties that may be levied, are currently unascertainable but would not be material and accordingly, no consequential adjustments have been made to the accompanying consolidated financial statements with respect to such delay/default.
6. We draw attention to Note 49 to the accompanying consolidated financial statements, which describes the



uncertainties and management's assessment of the impact of the COVID 19 pandemic on Group's operations and financial results. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the financial position and performance of the Group is significantly dependent on the future developments as they evolve.

Our opinion is not modified in respect of the above matters.

### Key Audit Matters

7. Key audit matters are those matters that, in our professional judgment and based on the consideration

of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

8. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Existence and valuation of inventory</b></p> <p>The Group has an inventory balance of ₹ 5666.76 crore as at 31 March 2022, as disclosed in Note 10 of the accompanying consolidated financial statements. Refer Note 3(l) for the corresponding accounting policy adopted by the management with respect to the inventory balance.</p> <p>The Holding Company purchases gold from nominated agencies prescribed by Reserve Bank of India. Further, the Holding Company also purchases gold and diamonds from institutional parties and from the customers as per the exchange schemes announced by the Holding Company.</p> <p>With respect to existence of inventory as at year end, there is an inherent risk of loss from theft or possible malafide intent, due to the high intrinsic value and portable nature of individual inventory items.</p> <p>In addition to the physical verification performed by the management with the help of an independent professional gemologist, the lenders of the Holding Company also conduct stock counts with the help of their appointed independent gemologists.</p> <p>With respect to valuation of the inventory, the Holding Company categorizes diamonds purchased into the respective cost categories defined by the management based on price bands and other physical characteristics of the diamonds.</p> <p>Considering the complexities involved, portable nature of diamonds, high inherent risk and high level of estimation uncertainty involved in valuation of the inventory, the existence and valuation of inventory has been determined as key audit matter for the current year audit.</p>	<p>Our audit work in relation to the existence and valuation of inventory included, but was not limited to, performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process for physical verification, recognition and measurement of purchase cost of gold, diamonds and manufactured jewellery items.</li> <li>• Evaluated the design and tested the operating effectiveness of controls implemented by the Holding Company with respect to such process including controls around safeguarding the high value inventory items.</li> <li>• Assessed the appropriateness of accounting policy and management valuation methodology adopted by the management.</li> <li>• On a sample basis, tested invoices and other underlying records to validate the costs and characteristics basis which the inventory is categorized for inventory management and valuation.</li> <li>• Obtained the physical verification records performed by the management as at the year end.</li> <li>• Performed independent test counts for certain locations subsequent to year-end and other safeguarding procedures, and performed roll-back procedures, to corroborate management counts and valuation based on management categorization, with the help of an independent professional gemologist.</li> <li>• On a sample basis, tested samples of inventory sold near year-end to corroborate management's assessment of net realizable value of closing inventory balance.</li> <li>• Obtained valuation report from independent Gemologist to corroborate management's assessment of net realizable value of closing inventory balance of Diamonds.</li> <li>• Evaluated disclosures made in the accompanying consolidated financial statements for appropriateness and adequacy in accordance with the requirements of the accounting standards.</li> </ul>

## Information other than the Consolidated Financial Statements and Auditor's Report thereon

9. The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of audit, or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

## Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

10. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

12. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

- 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)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - 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 ability of the Group 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 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 Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- 15.** 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.
- 16.** 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.
- 17.** From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

#### **Other Matter**

- 18.** We did not audit the annual financial statements of five subsidiaries included in the Consolidated Financial Statements, whose financial information reflects total assets (before consolidation adjustments) of ₹ 287.33 crore as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 139.77 crore, total net loss after tax (before consolidation) of ₹ 7.06 crore, total comprehensive loss of ₹ 1.28 crore and net cash outflows (before consolidation adjustments) amounting to ₹ 0.68 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management. Our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors.

The subsidiary located outside India whose financial statements has been prepared in accordance with accounting principles generally accepted in their respective country and which has been audited by respective auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally



accepted in their respective country to accounting principles generally accepted in India. Such conversion adjustments have been audited by other auditors. The independent auditor's reports on such converted financial statements of such entity have been furnished to us by the management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditors.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

**19.** As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 18, on separate financial statements of the subsidiaries, we report that the Holding Company has paid remuneration to its directors during the year in accordance with the provisions of and limit prescribed under Schedule V of the Act. Further, we report that 4 subsidiary companies, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

**20.** As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

- (a) we have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;
- (c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- (d) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- (e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section with respect to the Holding Company;
- (g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as at 31 March 2022- Refer Note 44 of the Consolidated Financial Statements;
  - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended 31 March 2022.
  - iv. (a) The respective Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or



invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries")
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")

- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

- v. No dividend has been declared or paid during the year by the Group.

21. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the respective auditors of companies included in the consolidated financial statements, to which reporting under CARO is applicable, we report that:

Unfavourable Remarks, Qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements are:

S. No.	Name of the entity	CIN	Nature of Relationship	Clause number of the CARO report which is unfavourable, qualified or adverse
1	PC Jeweller Limited	L36911DL2005PLC134929	Holding Company	ii(b), iii(c), iii (d), iii (e), v, vii(a), ix(a), xvii, xix, xx(b)
2	PC Universal Private Limited	U36912DL2013PTC248867	Subsidiary	vii(a), xvii
3	PCJ Gems & Jewellery Limited	U36911DL2019PLC348093	Subsidiary	vii(a), xvii
4	Transforming Retail Private Limited	U52100DL2014PTC271871	Subsidiary	vii(a), xvii
5	Luxury Products Trendsetter Private Limited	U52393DL2015PTC288371	Subsidiary	vii(a)

**For Arun K Agarwal & Associates**

Chartered Accountants

(Firm's Registration No. 003917N)

Sd/-

**Arun Kumar Agarwal**

(Partner)

M. No. 082899

UDIN: 22082899AJVTFH9559

Place: New Delhi

Date: 30.05.2022

## Annexure A to Independent Auditors' Report

### List of subsidiaries included in the consolidated financial statements

1. PC Universal Private Limited;
2. Transforming Retail Private Limited;
3. Luxury Products Trendsetter Private Limited;
4. PC Jeweller Global DMCC; and
5. PCJ Gems & Jewellery Limited.

## Annexure B to Independent Auditors' Report

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PC Jeweller Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as of 31 March 2022 in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, for the year ended on that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective companies 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 the Company's business, including adherence to the 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 Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our

audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

### Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include



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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matter**

We did not audit the internal financial controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 125.43 crore as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 138.81 crore, total net loss after tax (before consolidation) of ₹ 0.76 crore, total comprehensive loss of ₹ 0.72 crore and net cash outflows (before consolidation adjustments) amounting to ₹ 0.40 crore for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, is based solely on the reports of the auditors of such companies.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

#### **For Arun K Agarwal & Associates**

Chartered Accountants

(Firm's Registration No. 003917N)

Sd/-

**Arun Kumar Agarwal**

(Partner)

M. No. 082899

UDIN: 22082899AJVTFH9559

Place: New Delhi

Date: 30.05.2022

**CONSOLIDATED BALANCE SHEET**

AS AT 31 MARCH 2022

			(₹ in crore)	
		Notes	As at 31 March 2022	As at 31 March 2021
<b>A</b>	<b>Assets</b>			
<b>1</b>	<b>Non-current assets</b>			
	a) Property, plant and equipment	4	38.63	44.46
	b) Right-of-use assets	45	80.61	92.95
	c) Other intangible assets	5	1.62	1.00
	d) Intangible assets under development		-	0.86
	e) Financial assets			
	i) Investments		-	6.31
	ii) Loans	6	36.86	30.12
	iii) Other financial assets	7	0.21	2.43
	f) Deferred tax assets (net)	8	159.61	61.63
	g) Other non-current assets	9	7.76	9.74
	<b>Total non-current assets</b>		<b>325.30</b>	<b>249.50</b>
<b>2</b>	<b>Current assets</b>			
	a) Inventories	10	5,666.76	5,944.29
	b) Financial assets			
	i) Investments	11	2.74	8.32
	ii) Trade receivables	12	1,433.87	1,428.93
	iii) Cash and cash equivalents	13	23.38	57.77
	iv) Bank balance other than (iii) above	14	36.82	119.80
	v) Loans	6	3.32	19.36
	vi) Other financial assets	7	0.02	0.02
	c) Other current assets	9	52.86	69.74
	<b>Total current assets</b>		<b>7,219.77</b>	<b>7,648.23</b>
	<b>Total assets</b>		<b>7,545.07</b>	<b>7,897.73</b>
<b>B</b>	<b>Equity and Liabilities</b>			
<b>1</b>	<b>Equity</b>			
	a) Equity share capital	15	465.40	465.40
	b) Other equity	16	3,423.33	3,803.91
	<b>Total equity</b>		<b>3,888.73</b>	<b>4,269.31</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non-current liabilities</b>			
	a) Financial liabilities			
	i) Borrowings	17	-	0.32
	ii) Lease liabilities	45	77.77	90.46
	b) Provisions	18	4.45	4.70
	<b>Total non-current liabilities</b>		<b>82.22</b>	<b>95.48</b>
<b>3</b>	<b>Current liabilities</b>			
	a) Financial liabilities			
	i) Borrowings	19	3,282.73	2,293.85
	ii) Lease liabilities	45	30.11	29.55



(₹ in crore)

	Notes	As at 31 March 2022	As at 31 March 2021
iii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		0.45	0.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises		15.92	936.83
iv) Other financial liabilities [other than those specified in item (c)]	21	38.89	77.79
b) Other current liabilities	22	76.81	64.29
c) Provisions	18	2.40	2.26
d) Current tax liabilities (net)	23	126.81	127.85
<b>Total current liabilities</b>		<b>3,574.12</b>	<b>3,532.94</b>
<b>Total liabilities</b>		<b>3,656.34</b>	<b>3,628.42</b>
<b>Total equity and liabilities</b>		<b>7,545.07</b>	<b>7,897.73</b>

Notes 1 to 56 form an integral part of these consolidated financial statements.

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

For and on behalf of the Board of Directors

**For Arun K Agarwal & Associates**

Chartered Accountants

Firm's Registration No.: 003917N

Sd/-

**Ramesh Kumar Sharma**

Executive Director

DIN-01980542

Sd/-

**Balram Garg**

Managing Director

DIN-00032083

Sd/-

**Arun Kumar Agarwal**

Partner

Membership No. 082899

Sd/-

**Vijay Panwar**

Company Secretary

Membership No. A19063

Sd/-

**Sanjeev Bhatia**

Chief Financial Officer

Place: New Delhi

Date: 30 May 2022

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED 31 MARCH 2022

		(₹ in crore)		
		Notes	As at 31 March 2022	As at 31 March 2021
1	Revenue from operations	24	1,606.13	2,826.34
2	Other income	25	52.81	24.08
3	<b>Total income (1+2)</b>		<b>1,658.94</b>	<b>2,850.42</b>
4	<b>Expenses</b>			
	a) Cost of materials consumed	26	972.03	3,132.32
	b) Purchases of stock-in-trade	27	143.89	29.69
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	296.04	(887.94)
	d) Employee benefits expense	29	47.62	43.52
	e) Finance costs	30	437.38	393.82
	f) Depreciation and amortisation expenses	31	27.75	34.93
	g) Other expenses	32	242.27	96.27
	<b>Total expenses</b>		<b>2,166.98</b>	<b>2,842.61</b>
5	<b>Profit before tax (3-4)</b>		<b>(508.04)</b>	<b>7.81</b>
6	Tax expense			
	a) Current tax	33	(18.93)	(51.74)
	b) Deferred tax	8	(98.11)	(2.45)
	<b>Total tax expense</b>		<b>(117.04)</b>	<b>(54.19)</b>
7	<b>Profit for the year (5-6)</b>		<b>(391.00)</b>	<b>62.00</b>
8	Other comprehensive income:			
	(A) (i) Items that will not be reclassified to profit or loss:			
	- Remeasurement of post employment benefit obligations		0.53	(7.33)
	(ii) Income-tax relating to items that will not be reclassified to profit or loss		(0.13)	(0.24)
	(B) (i) Items that will be reclassified to profit or loss:			
	- Foreign currency translation		5.75	-
	(ii) Income-tax relating to items that will be reclassified to profit or loss		-	-
	<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>6.15</b>	<b>(7.57)</b>
9	<b>Total comprehensive income for the year (7+8)</b>		<b>(384.85)</b>	<b>54.43</b>
	<b>Profit attributable to:</b>			
	Owners of the Parent Company		(391.00)	62.00
	Non-controlling interests		-	-
	<b>Other comprehensive (loss)/income attributable to:</b>			
	Owners of the Parent Company		6.15	(7.57)
	Non-controlling interests		-	-
			<b>(384.85)</b>	<b>54.43</b>
10	Earnings per equity share: (face value of ₹ 10 per share)	34		
	Basic earnings per share (in ₹)		(8.40)	1.53
	Diluted earnings per share (in ₹)		(8.40)	1.53

Notes 1 to 56 form an integral part of these consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For and on behalf of the Board of Directors

For Arun K Agarwal & Associates

Chartered Accountants  
Firm's Registration No.: 003917N

Sd/-  
**Arun Kumar Agarwal**  
Partner  
Membership No. 082899

Place: New Delhi  
Date: 30 May 2022

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director  
DIN-01980542

Sd/-  
**Vijay Panwar**  
Company Secretary  
Membership No. A19063

Sd/-  
**Balram Garg**  
Managing Director  
DIN-00032083

Sd/-  
**Sanjeev Bhatia**  
Chief Financial Officer



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

## A Equity share capital:

Particulars	Note	No. of shares	(₹ in crore)
			Amount
<b>Issued, subscribed and fully paid up</b>			
<b>Equity shares of ₹ 10 each</b>			
<b>Balance as at 1 April 2020</b>	15	395,002,882	<b>395.00</b>
Changes in equity share capital during the year			
Issue on exercise of employee stock options		71,014.00	<b>0.07</b>
Issue on preferential allotment		70,330,000	<b>70.33</b>
<b>Balance as at 31 March 2021</b>	15	<b>465,403,896.00</b>	<b>465.40</b>
Changes in equity share capital due to prior period errors		-	-
Changes in equity share capital during the year		-	-
<b>Balance as at 31 March 2022</b>	15	<b>465,403,896.00</b>	<b>465.40</b>

## B Other equity:

Particulars	Reserves and surplus						Total
	Securities premium	General reserve	Share options outstanding account	Foreign currency translation reserve	Retained earnings	Items of other comprehensive income	
						Remeasurement of employee defined benefit plans	
<b>Balance as at 1 April 2020</b>	<b>925.98</b>	<b>54.54</b>	<b>36.56</b>	<b>9.45</b>	<b>2,579.51</b>	<b>1.98</b>	<b>3,608.02</b>
Profit for the year	-	-	-	-	62.00	-	<b>62.00</b>
Other comprehensive income/(loss) for the year (net of income tax)	-	-	-	(8.29)	-	0.72	<b>(7.57)</b>
<b>Total comprehensive income for the year</b>	-	-	-	<b>(8.29)</b>	<b>62.00</b>	<b>0.72</b>	<b>54.43</b>
Share option expense for the year	-	-	0.82	-	-	-	<b>0.82</b>
Share option expense reversal*	-	13.79	(13.79)	-	-	-	-
Transactions with owners in their capacity as owners:							
Issue of equity shares	142.97	-	(2.33)	-	-	-	<b>140.64</b>
<b>Balance as at 31 March 2021</b>	<b>1,068.95</b>	<b>68.33</b>	<b>21.26</b>	<b>1.16</b>	<b>2,641.51</b>	<b>2.70</b>	<b>3,803.91</b>
Profit for the year	-	-	-	-	(384.40)	-	<b>(384.40)</b>
Other comprehensive income for the year (net of income tax)	-	-	-	5.74	-	0.40	<b>6.14</b>
<b>Total comprehensive income for the year</b>	-	-	-	<b>5.74</b>	<b>(384.40)</b>	<b>0.40</b>	<b>(378.26)</b>
Share option expense for the year	-	-	-	-	-	-	-
Share option expense reversal*	-	1.64	(1.64)	-	-	-	-
Share option investment reversal**	-	-	(2.32)	-	-	-	<b>(2.32)</b>
<b>Balance as at 31 March 2022</b>	<b>1,068.95</b>	<b>69.97</b>	<b>17.30</b>	<b>6.90</b>	<b>2,257.11</b>	<b>3.10</b>	<b>3,423.33</b>

\* The Parent Company has transferred an amount of ₹ 1.64 crores (31 March 2021: ₹ 13.79 crores) from Share Option Outstanding Account to General Reserve on account of 37,408 share options (31 March 2021: 2,77,817 share options) lapsed/forfeited in accordance with the ESOP plan 2011.

\*\* The amount of ₹ 2.32 crores has been reduced from share option outstanding account on account of share option lapsed/forfeited in accordance with ESOP Plan 2011, which were granted to an employee of a subsidiary company (Luxury Products Trendsetter Private Limited).

**Notes 1 to 56 form an integral part of these consolidated financial statements.**

**This is the consolidated statement of changes in equity referred to in our report of even date**

**For and on behalf of the Board of Directors**

**For Arun K Agarwal & Associates**  
Chartered Accountants  
Firm's Registration No.: 003917N

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director  
DIN-01980542

Sd/-  
**Balram Garg**  
Managing Director  
DIN-00032083

Sd/-  
**Arun Kumar Agarwal**  
Partner  
Membership No. 082899

Sd/-  
**Vijay Panwar**  
Company Secretary  
Membership No. A19063

Sd/-  
**Sanjeev Bhatia**  
Chief Financial Officer

Place: New Delhi  
Date: 30 May 2022



**CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2022

		(₹ in crore)	
Particulars		Year ended 31 March 2022	Year ended 31 March 2021
<b>A</b>	<b>Cash flow from operating activities:</b>		
	(Loss)/profit before tax	(508.04)	7.81
	<b>Adjustments for:</b>		
	Depreciation and amortisation expenses	27.81	34.89
	Share based payments to employees	-	0.82
	Interest income on fixed deposit	(1.70)	(5.71)
	Interest income on loans given to body corporate	(0.75)	(0.29)
	Net (profit)/loss on disposal of property, plant and equipment	(0.01)	0.01
	Income on FVTPL from investments	(0.02)	(0.04)
	Finance costs	427.46	380.19
	Unwinding of discount on security deposits	(0.07)	(0.76)
	Discounting of rental expenses as per IND AS 116	(28.54)	(23.70)
	(Profit)/loss on Foreign Currency Translation	5.75	(8.30)
	Unrealised gain on foreign exchange	(107.29)	(51.27)
	Actuarial loss forming part of other comprehensive income	0.52	0.97
	Adjustment due to fair valuation of gold loan at unfixed prices	(4.65)	36.76
	Fair valuation adjustment of forwards contracts	(1.07)	1.06
	Gain on rent reduction/waiver due to Covid-19	(3.25)	(9.45)
	Provision for impairment of loan to subsidiary	-	4.26
	Provision for expected credit loss for trade receivables	188.09	0.15
	<b>Operating profit before working capital changes</b>	<b>(5.76)</b>	<b>367.40</b>
	<b>Adjustments for:</b>		
	(Increase)/decrease in inventories	277.52	(530.54)
	(Increase)/decrease in financial assets	58.76	181.86
	(Increase)/decrease in non-financial assets	19.09	11.62
	(Increase)/decrease in trade receivables	(97.54)	589.60
	Increase/(decrease) in trade payables	(903.12)	(241.11)
	Increase/(decrease) in financial liabilities	(74.39)	(36.79)
	Increase/(decrease) in non-financial liabilities	(12.53)	(225.28)
	Increase/(decrease) in provisions	(0.10)	(40.17)
	<b>Cash generated from operating activities</b>	<b>(738.07)</b>	<b>76.59</b>
	Direct taxes refunded/(paid)	18.69	14.55
	<b>Net cash generated from operating activities</b>	<b>(719.38)</b>	<b>91.14</b>
<b>B</b>	<b>Cash flow from investing activities:</b>		
	Purchase of property, plant and equipment including capital advances	(3.71)	(0.69)
	Proceeds from disposal of property, plant and equipment	0.06	0.30
	(Purchase)/redemption of current investments, net	5.60	(0.75)
	Loans repaid by/(given to) body corporate	25.70	(3.00)
	Interest received	3.23	8.58
	Redemption of fixed deposits, net	84.06	89.88
	<b>Net cash generated from investing activities</b>	<b>114.94</b>	<b>94.32</b>



		(₹ in crore)	
Particulars	Year ended 31 March 2022	Year ended 31 March 2021	
<b>C</b>	<b>Cash flow from financing activities:</b>		
	Repayment of long term loans	(2.42)	(11.58)
	Proceeds from allotment of employee stock options	-	0.07
	Increase in short term borrowings, net of interest payable	729.00	222.47
	Interest paid	(156.53)	(366.69)
	<b>Net cash used in financing activities</b>	<b>570.05</b>	<b>(155.73)</b>
<b>D</b>	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(34.39)	29.72
<b>E</b>	Cash and cash equivalents as at the beginning of the year	57.77	28.05
<b>F</b>	<b>Cash and cash equivalents as at the end of the year (refer note 13)</b>	<b>23.38</b>	<b>57.77</b>
	<b>Components of cash and cash equivalents:</b>		
	Balances with banks - in current accounts	20.69	23.02
	Cheques on hand	0.10	0.15
	Cash on hand	2.59	27.38
	Deposits with original maturity of less than 3 months	-	7.22
	<b>23.38</b>	<b>57.77</b>	

The above consolidated cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

**Notes 1 to 56 form an integral part of these consolidated financial statements.**

**This is the consolidated cash flow statement referred to in our report of even date**

**For and on behalf of the Board of Directors**

**For Arun K Agarwal & Associates**

Chartered Accountants  
Firm's Registration No.: 003917N

Sd/-

**Arun Kumar Agarwal**

Partner  
Membership No. 082899

Sd/-

**Ramesh Kumar Sharma**

Executive Director  
DIN-01980542

Sd/-

**Vijay Panwar**

Company Secretary  
Membership No. A19063

Sd/-

**Balram Garg**

Managing Director  
DIN-00032083

Sd/-

**Sanjeev Bhatia**

Chief Financial Officer

Place: New Delhi

Date: 30 May 2022

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 1. Corporate information

#### Nature of operations

PC Jeweller Limited (the 'Parent Company') was incorporated on 13 April 2005. The Parent Company is engaged in the business of trade, manufacture and sale of gold, diamond, silver, precious stone, gold jewellery/items, diamond studded jewellery and silver articles of various designs/specifications. The Parent Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

#### General information and statement of compliance with Ind AS

The consolidated financial statements include the financial statements of the Parent Company and its under mentioned subsidiaries (hereinafter referred as the 'Group'):

- i. PC Universal Private Limited, India, 100% subsidiary with effect from 28 February 2013
- ii. Transforming Retail Private Limited, India, 100% subsidiary with effect from 24 September 2014
- iii. Luxury Products Trendsetter Private Limited, India, 100% subsidiary with effect from 11 December 2015
- iv. PC Jeweller Global DMCC, Dubai ('PCJ DMCC'), 100% subsidiary with effect from 8 June 2016
- v. PCJ Gems and Jewellery Limited, India, 100% subsidiary with effect from 01 April 2019.

The following table summarises the principal line of activity of each of the aforementioned subsidiary:

Subsidiaries	Principal activities
PC Universal Private Limited	Jewellery manufacturing and export
Transforming Retail Private Limited	Online retail trading in jewellery
Luxury Products Trendsetter Private Limited	Jewellery manufacturing and trading
PC Jeweller Global DMCC	Jewellery trading
PCJ Gems & Jewellery Limited	Jewellery manufacturing, trading, import and export

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('the Act'), Companies (Indian Accounting Standards) Rules, 2015

as amended from time to time and other pronouncements/provisions of applicable laws.

The consolidated financial statements for the year ended 31 March 2022 were authorised and approved for issue by the Board of Directors on 30 May 2022. Revisions to consolidated financial statements, if required, is permitted by the Board of Directors subject to obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

### 2. Application of new and revised Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorised have been considered in preparing these consolidated financial statements.

#### Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### a) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### b) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

does not expect the amendment to have any significant impact in its financial statements.

### c) **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

### d) **Ind AS 109 – Annual Improvements to Ind AS**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

### e) **Ind AS 116 – Annual Improvements to Ind AS**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

## 3. **Summary of significant accounting policies**

### a) **Overall consideration**

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, unless otherwise stated.

#### **Basis of preparation**

The consolidated financial statements have been prepared on a going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities which have been measured at fair value (refer note 40 for further details); and
- Share based payments which are measured at fair value of the options at the grant date.

The consolidated financial statements of the Group are presented in Indian Rupees (₹), which is also its financial currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of schedule III to the Act, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding-off have been so stated by way of a note.

### b) **Principles of consolidation**

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 March 2022. All subsidiaries have a reporting date of 31 March 2022.

Subsidiaries are all entities over which control is exercised. Control is deemed to exist, only if there is:

- a) power over the entity;
- b) exposure, or rights, to variable returns from its involvement with the entity; and
- c) the ability to use its power over the entity to affect the amount of its returns.

The Group reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of the financial statements of subsidiaries begins on the date, control is established.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The Group combines the financial

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

statements of the Parent Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Profit or loss and other comprehensive income of subsidiaries acquired (if any) during the year are recognised from the effective date of acquisition.

### c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### d) Foreign currency translation

#### *Initial recognition*

Transactions in foreign currencies are recorded on initial

recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

#### *Measurement at the balance sheet date*

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### *Treatment of exchange difference*

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

#### *Translation of foreign operations*

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Indian Rupees (₹) are translated into Indian Rupees (₹) upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Indian Rupees (₹) at the closing rate at the reporting date. Income and expenses have been translated into Indian Rupees (₹) at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

### e) Revenue recognition

#### *Sale of goods*

Revenue from the contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Sales, as disclosed, are net of trade allowances, rebates,



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

goods and service tax, and amounts collected on behalf of third parties.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). In respect of contracts with customers that contain a financing component i.e. when payment by a customer occurs significantly before performance and the fair value of goods provided to the customer at the end of the contract term exceeds the advance payments received, interest expense is recognized on recognition of a contract liability over the contract period and is presented under the head finance costs in statement of profit and loss and total transaction price including financing component is recognized when control of the goods is transferred to the customer.

### *Satisfaction of performance obligations*

The Group's revenue is derived from the single performance obligation to transfer primarily gold and diamond products under arrangements in which the transfer of control of the products and the fulfilment of the Group's performance obligation occur at the same time. Revenue from the sale of goods is recognised when the entity has transferred control of the goods to the buyer and the buyer obtains the benefits from the goods, the potential cash flows and the amount of revenue (the transaction price) can be measured reliably, and it is probable that the entity will collect the consideration to which it is entitled to in exchange for the goods.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. In respect of sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

### *Interest and dividend income*

Interest income is recognised on an accrual basis using the effective interest method. Dividends are recognised

at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

## **f) Property, plant and equipment**

### *Recognition and initial measurement*

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition less accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on written-down value, computed on the basis of useful lives (as set out below) prescribed in Schedule II of the Act:

<b>Asset category</b>	<b>Estimated useful life (in years)</b>
Buildings	30
Plant and equipments	15
Office equipments	5
Computers	3 for data processing units and 6 for servers
Furniture and fixtures	10
Vehicles	8 for motor cars and 10 for scooters

Leasehold improvements have been amortised over the estimated useful life of the assets or the period of lease, whichever is lower. The residual values, useful lives and method of depreciation and amortisation are reviewed at each financial year end and adjusted prospectively, if appropriate.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### **g) Intangible assets**

#### *Recognition and initial measurement*

Intangible assets include trademarks and computer software purchased by the Group. All items of intangible assets are stated at their cost of acquisition. The cost comprises purchase price, and directly attributable cost of bringing the asset to its working condition for the intended use.

#### *Subsequent measurement (depreciation and useful lives)*

Amortisation of intangible assets is provided on straight-line basis, computed on the basis of useful lives estimated by the management. The useful life of an intangible asset would include the renewal period(s) only if there is enough evidence to support the renewal by the entity without a significant cost.

<b>Asset category</b>	<b>Estimated useful life (in years)</b>
Trademarks	10
Software	10

#### *Derecognition*

An item of intangible asset and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### **h) Leases**

#### **Group as a lessee**

The Group's lease asset classes primarily consist of property leases. The Group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include 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 useful life of the underlying asset.

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,

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment whether it will exercise an extension or a termination option.

### i) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### j) Financial instruments

#### Financial assets

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

##### *Subsequent measurement*

- i. **Financial instruments at amortised cost** – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost

using the effective interest rate (EIR) method. All the debt instruments of the Group are measured at amortised cost.

- ii. **Mutual funds** – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

##### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the right to receive cash flows from the asset have expired or the Group has transferred its right to receive cash flows from the asset.

#### Financial liabilities

##### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

##### *Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings.

##### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income-tax effects, and not subsequently re-measured.

### **Derivative contracts and hedge accounting**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

#### *Embedded derivatives*

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Group enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative. The Group designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices in USD.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to

be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Changes in fair value of the hedging instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged item.

#### *Other derivatives*

The Group also uses foreign exchange forward contracts to hedge its exposure towards foreign currency. These foreign exchange forward contracts are not used for trading or speculation purposes. A derivative contract is recognised as an asset or a liability on the commitment date. Outstanding derivative contracts as at reporting date are fair valued and recognised as financial asset/financial liability, with the resultant gain/(loss) being recognised in the statement of profit and loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **k) Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### *Trade receivables*

The Group applies approach permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

### *Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

### **l) Inventories**

Raw Material: Lower of cost or net realisable value. Cost is determined on first in first out ('FIFO') basis.

Work in progress: At cost determined on FIFO basis up to estimated stage of completion.

Finished goods: Lower of cost or net realisable value. Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

Stock in trade: Lower of cost or net realisable value. Cost is determined on first in first out ('FIFO') basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### **m) Taxes on income**

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income-tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity).

Deferred income-tax is calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity).

### **n) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

### **o) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### **p) Post-employment, long term and short term employee benefits**

#### *Defined contribution plans*

Provident fund benefit is a defined contribution plan under which the Group pays fixed contributions into funds established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Group

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

### *Defined benefit plans*

Gratuity is a post-employment benefit defined under The Payment of Gratuity Act, 1972 and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at the end of each reporting period by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the OCI in the year in which such gains or losses are determined.

Management's estimate of the Defined benefit obligation (DBO) is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### *Other long-term employee benefits*

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to the statement of profit and loss in the year in which such gains or losses are determined.

### *Short-term employee benefits*

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## **q) Share based payments**

### *Employee stock option plan*

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

## **r) Operating expenses**

Operating expenses are recognised in the statement of profit and loss upon utilisation of the service or as incurred.

## **s) Borrowing costs**

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

## **t) Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received if an asset is sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### u) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

### v) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except for anti-dilutive potential equity shares.

### w) Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Parent Company are recorded separately within equity.

The Board of Directors of the Parent Company have not recommended any dividend for the year.

### x) Segment reporting

The Group has two operating/reportable segments based on geographical area, i.e., domestic sales and export sales.

The operating segments is managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to any segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments.

### y) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

#### *Significant management judgements and estimates*

The following are significant management judgements and estimates in applying the accounting policies of the Group that have the most significant effect on the financial statements.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Useful lives of depreciable/amortizable assets** – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 4: PROPERTY, PLANT AND EQUIPMENT**

(₹ in crore)

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
<b>Gross block</b>									
<b>As at 1 April 2020</b>	<b>10.75</b>	<b>12.12</b>	<b>70.46</b>	<b>8.38</b>	<b>24.33</b>	<b>5.99</b>	<b>7.17</b>	<b>6.89</b>	<b>146.09</b>
Additions	-	-	-	0.15	0.23	0.13	0.02	0.08	<b>0.61</b>
Disposals	-	-	(3.74)	(0.07)	(0.80)	(0.09)	(0.50)	(0.76)	<b>(5.96)</b>
Foreign currency translation	-	(0.21)	-	(0.01)	-*	0.01	-*	-	<b>(0.21)</b>
<b>As at 31 March 2021</b>	<b>10.75</b>	<b>11.91</b>	<b>66.72</b>	<b>8.45</b>	<b>23.76</b>	<b>6.04</b>	<b>6.69</b>	<b>6.21</b>	<b>140.53</b>
Additions	-	-	-	0.07	-*	0.01	-*	1.79	<b>1.87</b>
Disposals	-	-	-	(0.11)	-*	-	(0.01)	-*	<b>(0.12)</b>
Foreign currency translation	-	<b>0.26</b>	-	0.01	-*	-*	-*	-	<b>0.27</b>
<b>As at 31 March 2022</b>	<b>10.75</b>	<b>12.17</b>	<b>66.72</b>	<b>8.42</b>	<b>23.76</b>	<b>6.05</b>	<b>6.68</b>	<b>8.00</b>	<b>142.55</b>
<b>Accumulated depreciation</b>									
<b>As at 1 April 2020</b>	-	<b>2.37</b>	<b>44.08</b>	<b>4.09</b>	<b>22.05</b>	<b>4.99</b>	<b>4.92</b>	<b>4.60</b>	<b>87.10</b>
Charge for the year	-	0.68	8.88	0.75	1.70	0.38	0.64	0.72	<b>13.75</b>
Reversal/adjustment on disposals	-	-	(2.75)	(0.06)	(0.71)	(0.08)	(0.42)	(0.72)	<b>(4.74)</b>
Foreign currency translation	-	(0.04)	-	-*	-*	-*	-*	-	<b>(0.04)</b>
<b>As at 31 March 2021</b>	-	<b>3.01</b>	<b>50.21</b>	<b>4.78</b>	<b>23.04</b>	<b>5.29</b>	<b>5.14</b>	<b>4.60</b>	<b>96.07</b>
Charge for the year	-	0.66	4.61	0.65	0.60	0.20	0.49	0.65	<b>7.86</b>
Reversal/adjustment on disposals	-	-	-	(0.06)	-*	-	(0.01)	-*	<b>(0.07)</b>
Foreign currency translation	-	0.05	-	0.01	-*	-*	-*	-	<b>0.06</b>
<b>As at 31 March 2022</b>	-	<b>3.72</b>	<b>54.82</b>	<b>5.38</b>	<b>23.64</b>	<b>5.49</b>	<b>5.62</b>	<b>5.25</b>	<b>103.92</b>
<b>Net block:</b>									
As at 31 March 2022	10.75	8.45	11.90	3.04	0.12	0.56	1.06	2.75	<b>38.63</b>
As at 31 March 2021	10.75	8.90	16.51	3.67	0.72	0.75	1.55	1.61	<b>44.46</b>

\* rounded off to nil

**Note 1:** The amount of contractual commitments for the acquisition of property, plant and equipment, but not recognised as a liability as at 31 March 2022 was Nil (31 March 2021: Nil).

**Note 2:** The title deeds of all immovable properties are held in the name of the Parent Company and its Subsidiaries.

**NOTE 5: OTHER INTANGIBLE ASSETS:**

(₹ in crore)

	Trademark	Computer software	Total
<b>Gross Block:</b>			
<b>As at 01 April 2020</b>	<b>1.59</b>	<b>0.10</b>	1.69
Additions	-	1.09	1.09
<b>As at 31 March 2021</b>	<b>1.59</b>	<b>1.19</b>	<b>2.78</b>
Additions	-	0.05	0.05
Disposals	-	(0.03)	(0.03)
<b>As at 31 March 2022</b>	<b>1.59</b>	<b>1.21</b>	<b>2.80</b>
<b>Accumulated amortisation</b>			
<b>As at 01 April 2020</b>	<b>0.58</b>	<b>0.08</b>	<b>0.66</b>
Amortisation charge for the year	0.16	0.10	0.26

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

(₹ in crore)

	Trademark	Computer software	Total
<b>As at 31 March 2021</b>	<b>0.74</b>	<b>0.18</b>	<b>0.92</b>
Amortisation charge for the year	0.16	0.12	<b>0.28</b>
Reversal on disposals	-	(0.02)	<b>(0.02)</b>
<b>As at 31 March 2022</b>	<b>0.90</b>	<b>0.28</b>	<b>1.18</b>
<b>Net block:</b>			
As at 31 March 2022	0.69	0.93	1.62
As at 31 March 2021	0.85	1.01	1.86

### NOTE 6: FINANCIAL ASSETS - LOANS

(₹ in crore)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
<b>(Unsecured and considered good, unless stated otherwise)</b>				
Security deposits				
-Considered good- unsecured	25.63	2.69	25.20	1.29
Loan to others	-	-	-	16.79
Loan to body corporates (refer note (a) below)				
-Considered good- unsecured	11.23	0.63	4.92	1.28
<b>Total</b>	<b>36.86</b>	<b>3.32</b>	<b>30.12</b>	<b>19.36</b>

(a) Loans have been given to Shivani Sarees Private Limited and Jewel Travels Private Limited for business purposes.

### NOTE 7: OTHER FINANCIAL ASSETS

(₹ in crore)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
<b>(Unsecured and considered good)</b>				
Deposits with maturity of more than 12 months (refer note (a) below)	0.21	-	2.43	-
Others	-	0.02	-	0.02
<b>Total</b>	<b>0.21</b>	<b>0.02</b>	<b>2.43</b>	<b>0.02</b>

(a) Held as margin money for procurement of gold from suppliers against letter of credit.

### NOTE 8: DEFERRED TAX ASSETS (NET)

(₹ in crore)

	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax asset arising on account of</b>		
Difference between accounting base and tax base of property, plant and equipment	13.26	13.95
Provision for employee benefits	1.75	1.76
Deferred lease rent	11.30	9.50
Provision for discount	0.74	0.70
Financial assets and liabilities at amortised cost	0.74	1.93

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Unpaid interest to scheduled banks*	63.60	-
Losses carried forward	8.18	9.68
Minimum alternate tax credit entitlement	0.21	0.21
Expected credit loss on trade receivables*	52.90	15.75
Valuation of inventory	1.21	1.94
Others	5.88	6.37
	<b>159.77</b>	<b>61.79</b>
<b>Deferred tax liability arising on account of</b>		
Financial assets at fair value through profit or loss	(0.16)	(0.16)
	<b>(0.16)</b>	<b>(0.16)</b>
<b>Net deferred tax assets</b>	<b>159.61</b>	<b>61.63</b>

**(a) Changes in deferred tax assets and deferred tax liabilities from 1 April 2021 to 31 March 2022**

	(₹ in crore)				
Particulars	Opening balance as on 1 April 2021	Recognised in statement of profit and loss	Recognised in other com- prehensive income	Recognised directly in equity	Closing balance as on 31 March 2022
<b>Deferred tax asset arising on account of</b>					
Difference between accounting base and tax base of property, plant and equipment	13.95	(0.69)	-	-	13.26
Provision for employee benefits	1.76	0.12	(0.13)	-	1.75
Deferred lease rent	9.50	1.80	-	-	11.30
Provision for discount	0.70	0.04	-	-	0.74
Financial assets and liabilities at amortised cost	1.93	(1.19)	-	-	0.74
Unpaid interest to scheduled banks*	-	63.60	-	-	63.60
Losses carried forward	9.68	(1.50)	-	-	8.18
Minimum alternate tax credit entitlement	0.21	-	-	-	0.21
Expected credit loss on trade receivables*	15.75	37.15	-	-	52.90
Valuation of inventory	1.94	(0.73)	-	-	1.21
Others	6.37	(0.49)	-	-	5.88
	<b>61.79</b>	<b>98.11</b>	<b>(0.13)</b>	-	<b>159.77</b>
<b>Deferred tax liability arising on account of</b>					
Financial assets at fair value through profit or loss	(0.16)	- <sup>**</sup>	-	-	(0.16)
	<b>(0.16)</b>	-	-	-	<b>(0.16)</b>
<b>Net deferred tax assets</b>	<b>61.63</b>	<b>98.11</b>	<b>(0.13)</b>	-	<b>159.61</b>

\*During the financial year ended 31 March 2022, the increase in deferred tax asset (DTA) is on account of disallowances mainly of ECL and unapplied finance cost under Income-tax Act 1961.

\*\* Rounded off to nil



# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### (b) Changes in deferred tax assets and deferred tax liabilities from 1 April 2020 to 31 March 2021

(₹ in crore)

Particulars	Opening balance as on 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2021
<b>Deferred tax asset arising on account of</b>					
Difference between accounting base and tax base of property, plant and equipment	13.28	0.67	-	-	13.95
Provision for employee benefits	2.18	(0.18)	(0.24)	-	1.76
Deferred lease rent	7.00	2.50	-	-	9.50
Provision for discount	1.13	(0.43)	-	-	0.70
Financial assets and liabilities at amortised cost	1.61	0.32	-	-	1.93
Losses carried forward	11.61	(1.93)	-	-	9.68
Minimum alternate tax credit entitlement	0.21	-	-	-	0.21
Expected credit loss on trade receivables	15.71	0.04	-	-	15.75
Valuation of inventory	1.54	0.40	-	-	1.94
Others	5.30	1.07	-	-	6.37
	<b>59.57</b>	<b>2.46</b>	<b>(0.24)</b>	-	<b>61.79</b>
<b>Deferred tax liability arising on account of</b>					
Financial assets at fair value through profit or loss	(0.15)	(0.01)	-	-	(0.16)
	<b>(0.15)</b>	<b>(0.01)</b>	-	-	<b>(0.16)</b>
<b>Net deferred tax assets</b>	<b>59.42</b>	<b>2.45</b>	<b>(0.24)</b>	-	<b>61.63</b>

### NOTE 9: OTHER ASSETS

(₹ in crore)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Advance to suppliers	-	18.68	-	24.07
Balances with statutory authorities	-	26.33	-	35.69
Prepaid expenses	7.76	2.65	9.74	4.80
Others	-	5.20	-	5.18
	<b>7.76</b>	<b>52.86</b>	<b>9.74</b>	<b>69.74</b>

### NOTE 10: INVENTORIES

(₹ in crore)

(valued at lower of cost and net realisable value)	As at 31 March 2022	As at 31 March 2021
Raw materials	14.89	1.81
Work-in-progress	1,935.99	1,951.57
Finished goods*	3,715.88	3,990.91
	<b>5,666.76</b>	<b>5,944.29</b>

\*Includes stock-in-trade

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 11: CURRENT FINANCIAL ASSETS - INVESTMENTS**

(₹ in crore)

	As at 31 March 2022	As at 31 March 2021
<b>Investment in mutual funds (quoted) - at fair value through profit and loss</b>		
Union Corporate Bond Fund - Regular Growth Plan (31 March 2022: 1,076,745 units , 31 March 2021: 1,076,745 units)	1.35	1.29
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth Plan (31 March 2022: Nil units, 31 March 2021: 600,000 units)	-	0.75
Canara Robeco Capital Protection Oriented Fund Series 10 Regular Growth Plan (31 March 2022: 250,000 units, 31 March 2021: 250,000 units)	0.33	0.31
ICICI Prudential Corporate Bond Fund - Regular Growth Plan (31 March 2022: 71,825 units, 31 March 2021: 71,825 units)	0.26	0.24
HDFC Top 100 Fund-Growth Plan (31 March 2022: 4,661 units, 31 March 2021: 4,661 units)	0.32	0.27
State Bank of India Magnum Balanced Fund - Regular Growth Plan (31 March 2022: 10,628 units, 31 March 2021: 10,628 units)	0.22	0.18
SBI Banking and PSU Fund Series Regular Growth Plan L348 RG (31 March 2022: Nil units, 31 March 2021: 20467 units)	-	5.02
Union Medium Duration Fund - Regular Growth Plan (March 31, 2022: 2,49,987.501 units, March 31, 2021: 2,49,987.501 units)	0.26	0.26
	<b>2.74</b>	<b>8.32</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>2.74</b>	<b>8.32</b>

**NOTE 12: TRADE RECEIVABLES**

(₹ in crore)

	As at 31 March 2022	As at 31 March 2021
Considered good - unsecured	1,433.87	1,428.93
Credit impaired	251.64	63.56
Less: Loss allowance	(251.64)	(63.56)
	<b>1,433.87</b>	<b>1,428.93</b>

The net carrying amount of trade receivables is considered a reasonable approximation of fair value.

Trade receivable ageing schedule for the year ended 31 March 2021 and 31 March 2022:

(₹ in crore)

Particulars	Amount Outstanding for following periods from due date of payment						Total 31-03-2022 (31-03-2021)
	Not Due 31-03-2022 (31-03-2021)	0-6 Months 31-03-2022 (31-03-2021)	6-12 Months 31-03-2022 (31-03-2021)	12-24 Months 31-03-2022 (31-03-2021)	24-36 Months 31-03-2022 (31-03-2021)	More than 36 months 31-03-2022 (31-03-2021)	
1. Undisputed Trade receivables- Considered good	13.14	160.28	49.81	524.95	684.55	1.14	<b>1,433.87</b>
	76.30	106.04	508.17	736.72	1.51	0.19	<b>1,428.93</b>
2. Undisputed Trade Receivables- which have significant increase in credit Risk	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
3. Udisputed Trade Receivables- credit impaired	-	44.23	12.98	101.15	93.28	-	<b>251.64</b>
	-	-	9.40	54.16	-	-	<b>63.56</b>

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

Particulars	Amount Outstanding for following periods from due date of payment						(₹ in crore)
	Not Due	0-6 Months	6-12 Months	12-24	24-36	More than	Total
	31-03-2022 (31-03-2021)	31-03-2022 (31-03-2021)	31-03-2022 (31-03-2021)	Months 31-03-2022 (31-03-2021)	Months 31-03-2022 (31-03-2021)	36 months 31-03-2022 (31-03-2021)	31-03-2022 (31-03-2021)
4. Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
5. Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6. Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>13.14</b>	<b>204.51</b>	<b>62.79</b>	<b>626.10</b>	<b>777.83</b>	<b>1.14</b>	<b>1,685.51</b>
	<b>76.30</b>	<b>106.04</b>	<b>517.57</b>	<b>790.88</b>	<b>1.51</b>	<b>0.19</b>	<b>1,492.49</b>
Less: Allowance for Credit Loss							251.64
							63.56
Total Trade Receivables							<b>1,433.87</b>
							<b>1,428.93</b>

### NOTE 13: CASH AND CASH EQUIVALENTS

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Balances with banks - in current accounts (refer note (b) below)	20.69	23.02
Cheques on hand	0.10	0.15
Cash on hand	2.59	27.38
Deposits with original maturity of less than 3 months	-	7.22
	<b>23.38</b>	<b>57.77</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period

- (a) Held as margin money for procurement of gold from suppliers against letter of credit. - **0.98**
- (b) Inter-alia includes deposits of ₹ 0.00 crore\* (31 March 2021: ₹ 2.50) which are earmarked.

\* Rounded off to Nil

### NOTE 14: OTHER BANK BALANCES

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Deposits with maturity of more than 3 months but less than 12 months (refer note a & b below)	36.73	119.70
Unclaimed dividend account (refer note c below)	0.09	0.10
	<b>36.82</b>	<b>119.80</b>

- (a) Held as margin money for procurement of gold from suppliers against letter of credit. - 84.81
- (b) Inter-alia includes deposits of ₹ 0.02 crore (31 March 2021: ₹ 0.02 crore) which are earmarked.
- (c) Not due for deposit to the Investor Education and Protection Fund.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**

**NOTE 15: EQUITY SHARE CAPITAL**

**a) Authorised share capital**

	(₹ in crore)	
	Number of shares	Amount
<b>Equity shares of ₹ 10 each</b>		
<b>Total authorised equity share capital as at 31 March 2021/31 March 2022</b>	<b>500,000,000</b>	<b>500.00</b>
<b>Preference shares of ₹ 10 each</b>		
<b>Total authorised preference share capital as at 31 March 2021/31 March 2022</b>	<b>260,000,000</b>	<b>260.00</b>

**Issued, subscribed and paid-up share capital:**

	(₹ in crore)	
	Number of shares	Amount
<b>Equity shares of ₹ 10 each</b>		
Balance as at 1 April 2020	395,002,882	395.00
Issued on preferential allotment	70,330,000	70.33
Issued on exercise of employee stock options	71,014	0.07
<b>Balance as at 31 March 2021</b>	<b>465,403,896</b>	<b>465.40</b>
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the year	-	-
<b>Balance as at 31 March 2022</b>	<b>465,403,896</b>	<b>465.40</b>

**b) Terms and rights attached to equity shares**

The Parent Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Parent Company, holders of equity shares will be entitled to receive the remaining assets of the Parent Company, after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the equity shareholders. During the year ended 31 March 2021, after getting necessary approval from shareholders as well as in principle approvals from BSE Limited and National Stock Exchange of India limited, the board of the Parent company vide a resolution passed by circulation on 04 February 2021, made allotment of 7,03,30,000 equity shares having face value of ₹ 10 /- each, at an issue price of ₹ 30/- per share to Shri Balram Garg, promoter of the Parent Company, on preferential basis, in accordance with the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 pursuant to conversion of unsecured loan amounting to ₹ 2,10,99,00,000 extended by him to the Parent Company.

**c) Shares reserved for issue under options**

3,461,867 equity shares are reserved for issue under the Employees' stock option plan of the Parent Company. Information relating to Employees' stock option plan, including details of options granted, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 36.

**d) Details of shareholders holding more than 5% of the shares of the Parent Company\***

	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares of ₹ 10 each</b>				
Mr. Balram Garg	204,282,100	43.89%	204,282,100	43.89%
Mrs. Krishna Devi	48,462,813	10.41%	48,462,813	10.41%
	<b>252,744,913</b>	<b>54.30%</b>	<b>252,744,913</b>	<b>54.30%</b>

\*As per the records of the Parent Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### e) Disclosure of shareholding of Promoters

Name of Promoter	Equity shares held by promoters				% change during the year
	As at 31 March 2022		As at 31 March 2021		
	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Balram Garg	204282100	43.89%	204282100	43.89%	-

- f) The shareholders of the Parent Company approved the issue of 179,212,800 equity shares as bonus shares which were subsequently allotted on 10 July 2017. Further the Parent Company has allotted 11,236,800 equity shares as bonus shares on 19 August 2017 on conversion of compulsorily convertible debentures. Other than this, the Parent Company has not issued any shares pursuant to contract without payment being received in cash, or allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the date of balance sheet.

### NOTE 16: OTHER EQUITY

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Retained earnings	2,257.11	2,641.51
General reserve	69.97	68.33
Securities premium	1,068.95	1,068.95
Share options outstanding account	17.30	21.26
Foreign currency translation reserve	6.90	1.16
Items of other comprehensive income	3.10	2.70
	<b>3,423.33</b>	<b>3,803.91</b>

#### Retained earnings

Retained earnings are created from the profit/loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

#### General reserve

Under the Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

#### Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with provisions of the Act.

#### Share options outstanding account

The reserve account is used to recognise the grant date fair value of options issued to employees under employee stock option plan, over the vesting period.

#### Foreign currency translation reserve

The Group's functional currency is Indian Rupees (₹). One of the Group's entity (PC Jeweller Global DMCC) prepares its financial statements in foreign currency and its respective financials are converted to Indian Rupees (₹) as per requirements of Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" to enable the Parent Company to present its Consolidated Financial Statements as per the above mentioned requirements.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 17: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(₹ in crore)

	Interest rate	Maturity date	As at 31 March 2022	As at 31 March 2021	Remarks
<b>Secured</b>					
Vehicle loans	8.25%-10.65%	May 2024	-	0.42	Refer note (i)
Less: Current maturities of long term borrowings (refer note 21)			-	(0.10)	
<b>Total</b>			-	<b>0.32</b>	

(i) During the financial year, all vehicle loans were closed due to prepayment of outstanding balance although the maturity is May 2024.

**NOTE 18: PROVISIONS**

(₹ in crore)

	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Provision for employee benefits obligations (refer note 35)	4.45	2.40	4.70	2.26
	<b>4.45</b>	<b>2.40</b>	<b>4.70</b>	<b>2.26</b>

**NOTE 19: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(₹ in crore)

	Interest rate	Maturity date	As at 31 March 2022	As at 31 March 2021	Remarks
<b>Secured (carried at amortised cost)</b>					
From banks:					
Cash credit facilities	10.45% - 24.65%	Payable on demand	1,700.63	999.96	Refer note (i) & (ii)
Funded interest term loans	12.25% - 18.46%	Payable on demand	99.97	143.92	Refer note (i) & (ii)
Demand loans	10.35% - 25.00%	Payable on demand	1,291.24	1,145.57	Refer note (i) & (ii)
Bank overdraft	12.00% - 17.39%	Payable on demand	186.56	-	Refer note (i) & (ii)
<b>Total</b>			<b>3,278.40</b>	<b>2,289.45</b>	
<b>Unsecured</b>					
Loan from promoter of Parent Company	Interest Free	Payable on demand	4.29	4.37	
Loan from others	Interest Free	Payable on demand	0.04	0.03	
<b>Total current financial liabilities- borrowings</b>			<b>3,282.73</b>	<b>2,293.85</b>	

(i) Cash credit facilities, Funded interest term loans, demand loans and bank overdrafts are secured against first pari passu charge on current assets, property, plant and equipment and fixed deposits of the Parent Company. These loans are further fully secured by personal guarantees of promoter director and other individuals alongwith corporate guarantees and collateral securities of other companies.

(ii) Parent Company's borrowing accounts have been classified as non performing assets with all the banks. The accounts have been downgraded on account of default/non payment of debt/interest/installment, continuously overdrawn cash credit limits and on account of conclusions of RBI Annual Financial Inspection (AFI) report. Total fund based exposure outstanding as on 31 March 2022

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

amounting to ₹ 3278.40 crores includes provision for interest upto 31 March 2022 calculated based on management's estimates which stands accrued but not applied by banks post NPA downgradation. Some of the banks have provided outstanding amount including unapplied interest upto 31 March 2022, whereas some of the banks have provided figures without unapplied interest. Therefore provision for unapplied interest for ₹ 146.23 crores have been made as per best estimate of the management. The Parent Company has applied for resolution of its debt and its proposal is under consideration.

(iii) Details of period and amount of default in loan repayment as at year end:

Name of Bank	Interest/ Principal*	As at 31 March 2022		As at 31 March 2021	
		Period of Default	(₹ in crore)	Period of Default	(₹ in crore)
State Bank of India	Principal/Interest	The delay in repayments ranging between 1 to 730 days as on 31 March 2022	1,060.07	The delay in repayments ranging between 1 to 360 days as on 31 March 2021	43.40
Punjab National Bank	Principal/Interest		478.69		87.11
Union Bank of India (including erstwhile Corporation Bank)	Principal/Interest		530.00		25.52
Indian Bank (including erstwhile Allahabad Bank)	Principal/Interest		226.41		11.08
Bank of India	Principal/Interest		197.72		12.00
Indian Overseas Bank	Principal/Interest		194.01		9.45
IDBI Bank	Principal/Interest		95.59		5.92
Bank of Baroda	Principal/Interest		47.65		2.20
Axis Bank	Principal/Interest		51.45		1.58
IDFC First Bank	Principal/Interest		58.90		3.71
Canara Bank (including erstwhile Syndicate Bank)	Principal/Interest		167.20		8.93
KVB Bank	Principal/Interest		27.61		1.70
Kotak Mahindra Bank	Principal/Interest		120.34		-
IndusInd Bank	Principal/Interest		22.76		1.28
<b>Total</b>			<b>3278.40</b>		<b>213.88</b>

\*inclusive of interest provision calculated by the management as in (ii) above

### NOTE 20: TRADE PAYABLES

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.45	0.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	15.92	936.83
	<b>16.37</b>	<b>937.35</b>

\* Includes gold on lease ₹ Nil (31 March 2021: ₹ 879.90 crore) on which interest is charged at 2.40% to 2.85% per annum (31 March 2021: 2.40% to 3.25% per annum)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**Trade payables aging schedule for the year ended as on 31 March 2021 and 31 March 2022**

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due 31-03-2022 (31-03-2021)	Less than 1 year 31-03-2022 (31-03-2021)	1-2 Years 31-03-2022 (31-03-2021)	2-3 Years 31-03-2022 (31-03-2021)	More Than 3 years 31-03-2022 (31-03-2021)	31-03-2022 (31-03-2021)
1. MSME	-	0.23	0.04	0.18	-	<b>0.45</b>
	-	0.48	-	-	0.04	<b>0.52</b>
2. Others	-	4.36	10.57	0.71	0.28	<b>15.92</b>
	880.01	37.61	18.88	0.29	0.04	<b>936.83</b>
3. Disputed dues-MSME	-	-	-	-	-	-
	-	-	-	-	-	-
4. Disputed dues-Others	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total</b>	-	<b>4.59</b>	<b>10.61</b>	<b>0.89</b>	<b>0.28</b>	<b>16.37</b>
	<b>880.01</b>	<b>38.09</b>	<b>18.88</b>	<b>0.29</b>	<b>0.08</b>	<b>937.35</b>

**NOTE 21: OTHER CURRENT FINANCIAL LIABILITIES**

(₹ in crore)

	As at 31 March 2022	As at 31 March 2021
Current maturities of long term debt (refer note 17)	-	0.10
Interest accrued but not due on borrowings	-	21.96
Unpaid dividends*	0.09	0.10
Employee related payables	4.82	3.90
Foreign currency payables, net	-	3.22
Others	33.98	48.51
	<b>38.89</b>	<b>77.79</b>

\*Not due for deposit to the Investor Education and Protection Fund

**NOTE 22: OTHER CURRENT LIABILITIES**

(₹ in crore)

	As at 31 March 2022	As at 31 March 2021
Advances received from customers	56.93	47.77
Deposits received from customers	7.06	11.93
Statutory dues payable	1.37	1.49
Others	11.45	3.10
	<b>76.81</b>	<b>64.29</b>



# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 23: CURRENT TAX LIABILITIES (NET)

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Provision for income-tax (net of prepaid taxes)	126.81	127.85
	<b>126.81</b>	<b>127.85</b>

### NOTE 24: REVENUE FROM OPERATIONS

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	1,606.13	2,826.34
	<b>1,606.13</b>	<b>2,826.34</b>

### NOTE 25: OTHER INCOME

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on:		
fixed deposits with banks	1.70	5.45
loan to a body corporate	0.75	0.51
other financial assets carried at amortised cost	2.94	2.88
Gain on investments measured at FVTPL	0.02	0.04
Net Profit on sale of property, plant and equipment*	0.01	0.26
Gain on foreign currency transactions and translations	39.42	-
Liabilities written back	0.73	1.56
Other non-operating income	7.24	13.38
	<b>52.81</b>	<b>24.08</b>

\* net of loss on disposal of property, plant and equipment amounting to ₹ 0.00 crore (rounded off to nil).

### NOTE 26: COST OF MATERIALS CONSUMED

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Raw material</b>		
Balance at the beginning of the year	1.81	352.37
Add: purchases during the year	985.11	2,781.76
Less: balance at the end of the year	14.89	1.81
	<b>972.03</b>	<b>3,132.32</b>

### NOTE 27: PURCHASES OF STOCK-IN-TRADE

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Purchases of stock-in-trade	143.89	29.69
	<b>143.89</b>	<b>29.69</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Opening balance</b>		
Work-in-progress	1,951.57	1,661.24
Finished goods*	3,993.89	3,400.13
	<b>5,945.46</b>	<b>5,061.37</b>
<b>Closing balance</b>		
Work-in-progress	1,939.10	1,951.57
Finished goods*	3,710.32	3,997.83
	<b>5,649.42</b>	<b>5,949.40</b>
Other inventory adjustments	-	(0.09)
	<b>296.04</b>	<b>(887.94)</b>

\*Includes stock-in-trade

**NOTE 29: EMPLOYEE BENEFITS EXPENSE**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	44.81	40.17
Contribution to provident and other funds	1.87	1.44
Share based payments to employees	-	0.82
Staff welfare expenses	0.94	1.09
	<b>47.62</b>	<b>43.52</b>

**NOTE 30: FINANCE COSTS**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on financial liabilities at amortised cost#	408.95	348.70
Interest on late deposit of advance tax	9.92	13.63
Interest on lease liabilities	13.43	14.63
Other finance costs	5.08	16.86
	<b>437.38</b>	<b>393.82</b>

# includes ₹ 6.45 crore (31 March 2021: ₹ 16.94 crore) as finance cost on gold on lease.

**NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	7.86	13.75
Amortisation of right-of-use assets	19.61	20.92
Amortisation of intangible assets	0.28	0.26
	<b>27.75</b>	<b>34.93</b>

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 32: OTHER EXPENSES

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Advertisement and publicity	3.25	4.38
Labour charges	8.76	15.70
Hallmarking charges	0.60	0.25
Consumption of packing material	1.57	0.94
Rent (refer note 45)	4.67	3.56
Business promotion	0.66	0.73
Communication	1.10	1.32
Repairs and maintenance	4.60	4.07
Provision for impairment	-	4.26
Discount and commission	1.21	1.28
Net loss on disposal of fixed assets	-	0.27
Electricity and water	6.05	5.68
Vehicle running and maintenance	0.04	0.08
Insurance	0.79	1.07
Legal and professional (including payment to auditors) (refer note (a) below)	3.74	4.37
Rates and taxes	0.96	0.36
Printing and stationery	0.24	0.23
Security expenses	5.28	5.50
Travelling and conveyance	1.83	0.97
Expected credit loss on trade receivables	188.08	0.15
Loss on foreign currency transactions and translations	0.48	31.54
Bank charges	4.86	2.36
Expenditure on corporate social responsibility activities (refer note 46)	0.94	6.50
Miscellaneous expenses	2.30	0.70
Loans and advances written off	0.26	-
	<b>242.27</b>	<b>96.27</b>

#### (a) Payment to the auditors:

- As auditors	0.19	0.22
- For other services (including limited reviews)	0.25	0.17
- For reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>0.45</b>	<b>0.40</b>

### NOTE 33: CURRENT TAX

#### (a) Income-tax expense through the statement of profit and loss

	(₹ in crore)	
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current tax:</b>		
Current tax on profits for the year	-	7.61
Adjustments for current tax of prior periods	(18.93)	(59.35)
	<b>(18.93)</b>	<b>(51.74)</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	(98.11)	(2.45)
<b>Total tax expense</b>	<b>(117.04)</b>	<b>(54.19)</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**(b) Income-tax on other comprehensive income**

Particulars	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Re-measurement of defined benefit obligations	(0.13)	(0.24)
<b>Total tax expense recognised in other comprehensive income</b>	<b>(0.13)</b>	<b>(0.24)</b>

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Accounting profit before income-tax</b>	(508.04)	7.81
Applicable Indian statutory income-tax rate	25.17%	25.17%
Computed expected tax expense	-	1.97
Prior period adjustments (refer note (a) below)	(18.93)	(59.35)
Effect of non-deductible expenses	(98.11)	3.68
Effect of lower/(higher) tax rate on subsidiaries	-*	-*
Effect of no tax on a foreign subsidiary	-	(0.84)
Change due to adoption of new tax rate (refer note (b) below)	-	0.34
Others	-	0.01
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>(117.04)</b>	<b>(54.19)</b>

\* rounded off to nil

**Note:**

- (a) During the financial year ended 31 March 2022, income tax refund of ₹ 18.93 crore has been accounted by the Parent Company pursuant to order of Income Tax Appellate Tribunal (ITAT) for previous assessment years. The same has been adjusted against the outstanding demand of AY 18-19.
- (b) During the previous year ended 31 March 2021 the Parent Company has reversed outstanding provisions for income tax amounting to ₹ 38.48 crore and ₹ 20.87 crore for AY 18-19 and AY 19-20 respectively on the basis of Assessment orders received under section 143(1)(a) of the Income Tax Act, 1961. The management is of the view that no additional income tax liability shall be payable with respect to these assessment years.
- (c) The Parent Company is following the option exercised for reduced tax rate permitted under section 115BAA of the Income-tax Act, 1961 for the financial year ended 31 March 2022 as introduced by the Taxation Laws (Amendment) Ordinance 2019.

**NOTE 34: EARNINGS PER SHARE**

Particulars	Units	Year ended	
		31 March 2022	31 March 2021
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
<b>Net profit attributable to shareholders for basic/diluted earnings per share</b>	₹ in crore	<b>(391.00)</b>	<b>62.00</b>
<b>Weighted average number of equity shares for basic earnings per share</b>		<b>465,403,896</b>	<b>405,641,605</b>
Effect of exercise of share options		-	836,433
<b>Weighted average number of equity shares for diluted earnings per share</b>		<b>465,403,896</b>	<b>406,478,038</b>
Basic earnings per share	₹	(8.40)	1.53
Diluted earnings per share	₹	(8.40)	1.53

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 35: EMPLOYEE BENEFITS

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Provision for gratuity	6.51	6.62
Provision for compensated absences	0.34	0.34
	<b>6.85</b>	<b>6.96</b>

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss and the amount recognised in the consolidated balance sheet for the defined benefit plan.

	(₹ in crore)	
	Gratuity benefits	
	As at 31 March 2022	As at 31 March 2021
<b>Change in the present value of the defined benefit obligation:</b>		
Opening defined benefit obligation	6.62	7.04
Interest cost	0.38	0.46
Current service cost	0.80	0.90
Benefits paid	(0.76)	(0.81)
Actuarial (gains) on obligation	(0.53)	(0.97)
<b>Closing defined benefit obligation</b>	<b>6.51</b>	<b>6.62</b>
<b>Expense recognised in the statement of profit and loss:</b>		
Current service cost	0.80	0.90
Interest cost	0.38	0.46
	<b>1.18</b>	<b>1.36</b>
<b>(Income)/loss recognised in the other comprehensive income:</b>		
Net actuarial loss/(gain) in the year	(0.53)	7.33
	<b>(0.53)</b>	<b>7.33</b>
<b>Net expense recognised in the total comprehensive income</b>	<b>0.65</b>	<b>8.69</b>
<b>Breakup of actuarial (gain)/loss</b>		
Actuarial (gain) arising from change in demographic assumption	-	-
Actuarial loss/(gain) arising from change in financial assumption	(0.08)	0.18
Actuarial gain arising from experience adjustment	(0.45)	(1.15)
	<b>(0.53)</b>	<b>(0.97)</b>

### Actuarial assumptions used

	As at 31 March 2022	As at 31 March 2021
Discount rate	5.75%-7.00%	5.40%-6.50%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life in years	25.00-26.10	25.10-26.57

### Demographic assumptions used

	As at 31 March 2022	As at 31 March 2021
Mortality table	IALM(2012-14)	IALM(2012-14)
Retirement age	60 years	60 years
Average remaining life	25.00-26.10	25.10-26.57



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

These assumptions were developed by the management of the Group with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

### Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability:

	(₹ in crore)			
	As at 31 March 2022		As at 31 March 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
<b>Discount rate</b>				
(Decrease)/ increase in the defined benefit liability	(0.17)	0.18	(0.17)	0.18
<b>Salary growth rate</b>				
Increase/ (decrease) in the defined benefit liability	0.16	(0.15)	0.17	(0.16)
<b>Average life expectancy</b>				
Increase/ (decrease) in the defined benefit liability	negligible	negligible	negligible	negligible

The present value of the defined benefit obligation is calculated as mentioned in note 3(p). The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Based on historical data, the Group expects contributions of ₹ 1.15 crore (31 March 2021 : ₹ 1.03 crore) in the next 12 months.

### Amounts for the current and previous four years are as follows:

	(₹ in crore)				
	2021-22	2020-21	2019-20	2018-19	2017-18
Defined benefit obligations	6.51	6.62	7.04	7.26	6.82
Experience gain/(loss) adjustments on planned liabilities	0.45	1.15	0.43	0.65	(0.48)

### Compensated absences

The leave obligations cover the Parent Company's liability for sick and earned leaves. The Parent Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However, based on past experience, the Parent Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Therefore, based on the independent actuarial report, provision for compensated absences has been bifurcated as current and non-current.

### Actuarial assumptions used

Particulars	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Discount rate	5.75%-7.00%	5.40%-6.50%
Expected salary escalation rate	5.00%	5.00%

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### Defined contribution plans

The Group has certain defined contribution plans. In case of companies included in the Group which are incorporated in India, contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 1.37 crore (31 March 2021 : ₹ 1.08 crore). There are no amounts outstanding of post employment benefits, other long-term benefits and share based payment for the current and previous year.

### NOTE 36: EMPLOYEE STOCK OPTION PLAN

#### PC Jeweller Limited Employee Stock Option Plan 2011

During the year ended 31 March 2012, the Parent Company had formulated Employee Stock Option Scheme referred to as PC Jeweller Limited Employee Stock Option Plan 2011 (the 'Plan') for all eligible employees/directors of the Group.

The plan is implemented by the Nomination and Remuneration Committee constituted by the Parent Company under the policy and framework laid down by the Parent Company and/or the Board of Directors of the Parent Company, in accordance with the authority delegated to the Nomination and Remuneration Committee in this regard from time to time and subject to the amendments, modifications and alterations to the plan made by the Parent Company and/or the Board of Directors in this regard. The issuance of the options are under the guidance, advice and directions of the Nomination and Remuneration Committee.

Each stock option granted entitles the grantee thereof to apply for and be allotted one equity share of the Parent Company upon vesting. Vesting of the options shall take place over a period of 4 years with a minimum vesting period of 1 year from the grant date.

(a) The vesting schedule is set forth as follows:

Vesting	Number of months from the date of grant of options	Percentage of options vested	Cumulative percentage of options vested
1	12	10	10
2	24	20	30
3	36	30	60
4	48	40	100

The options granted shall vest so long as the employee continues to be in employment with the Group, i.e., the options will lapse if the employment is terminated prior to vesting. Even after the options are vested, un-exercised options may be forfeited if the services of the employee are terminated for reasons specified in the Plan.

(b) Set out below is a summary of options granted under the Plan:

	31 March 2022		31 March 2021	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
<b>Balance at the beginning of the year</b>	<b>10.00</b>	<b>554,524</b>	<b>10.00</b>	<b>903,355</b>
Options granted during the year	-	-	-	-
Options exercised during the year	-	-	10.00	71,014
Options lapsed/forfeited during the year	10.00	37,408	10.00	277,817
<b>Balance at the end of the year</b>	<b>10.00</b>	<b>517,116</b>	<b>10.00</b>	<b>554,524</b>
Vested and exercisable	10.00	517,116	10.00	554,524



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

(c) Exercise price and expiry dates of share options outstanding at the end of the year:

Grant date	Weighted average remaining contractual life of options outstanding as on		Expiry date	Average exercise price per share	Total share options granted	Share options outstanding as on 31 March 2022	Share options outstanding as on 31 March 2021
	31 March 2022	31 March 2021					
14 May 2015	1.12	2.12	13 May 2023	10.00	726,300	235,000	252,000
25 May 2017	3.16	4.16	24 May 2025	10.00	50,000	-	-
01 August 2017	3.34	4.34	31 July 2025	10.00	100,000	-	-
19 January 2018	3.81	4.81	18 January 2026	10.00	882,537	282,116	302,524
<b>Total</b>						<b>517,116</b>	<b>554,524</b>

(d) The fair value of the options granted has been calculated on the date of grant using Black Scholes option pricing model with the following assumptions:

(i)	Grant date	14 May 2015	25 May 2017	01 August 2017	19 January 2018
(ii)	Expiry date	13 May 2023	24 May 2025	31 July 2025	18 January 2026
(iii)	Fair value of options granted (per share)	₹ 318.22	₹ 393.99	₹ 231.55	₹ 536.47
(iv)	Exercise price	₹ 10	₹ 10	₹ 10	₹ 10
(v)	Share price at grant date	₹ 328.50	₹ 452.60	₹ 251.75	₹ 587.35
(vi)	Weighted historical volatility (%)	52.61	52.82	52.48	51.85
(vii)	Time to maturity-years	8 years	8 years	8 years	8 years
(viii)	Expected dividend yield (%)	0.71	1.23	1.23	1.23
(ix)	Risk free interest rate (%)	7.97- 8.04	6.82- 7.09	6.50- 6.83	7.26- 7.37

The volatility used in the Black Scholes Option Pricing Model is the annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. Informal tests and preliminary research tends to confirm that estimates of the expected long-term future volatility should be based on historical volatility for a period that approximates the expected life of the options being valued. The Parent Company was listed on BSE Limited and National Stock Exchange of India Limited on 27 December 2012. The volatility is determined by taking into account the period since the listing of the Parent Company.

### NOTE 37: RELATED PARTY TRANSACTIONS:

#### List of related parties

Relationship	Name of the related party
Key management personnel (KMP)	Mr. Balram Garg (Promoter and Managing Director)*
	Mr. Sanjeev Bhatia (Chief Financial Officer)
	Mr. Vijay Panwar (Company Secretary)
Directors	Mr. Ramesh Kumar Sharma (Executive Director)
	Mr. Krishan Kumar Khurana (Independent Director)
	Mr. Manohar Lal Singla (Independent Director)
	Mr. Miyar Ramanath Nayak (Independent Director)
	Mrs. Sannovanda Machaiah Swathi (Independent Director)
	Mr. Suresh Kumar Jain (Independent Director)

\*Also refer note 15(d) for parties with more than 5% voting rights



# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 37: RELATED PARTY TRANSACTIONS (CONTD.)

Details of transaction between the Group and its related parties are disclosed below:

Particulars	(₹ in crore)			
	Key management personnel/ Director and their relatives		Entities where significant influence is exercised by KMP/ Director and/or their relatives having transactions with the Group	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Remuneration paid</b>				
Mr. Sanjeev Bhatia	0.40	0.37	-	-
Mr. Vijay Panwar	0.40	0.38	-	-
Mr. Ramesh Kumar Sharma	0.40	0.37	-	-
	<b>1.20</b>	<b>1.12</b>	-	-
<b>Sitting fees paid</b>				
Mr. Krishan Kumar Khurana	0.03	0.02	-	-
Mr. Miyar Ramanath Nayak	0.01	0.02	-	-
Mr. Manohar Lal Singla	0.03	0.03	-	-
Mrs. Sannovanda Machaiah Swathi	0.01	-*	-	-
Mr. Suresh Kumar Jain	0.01	-*	-	-
	<b>0.09</b>	<b>0.07</b>	-	-
<b>Adjustment towards rent</b>				
Mr. Balram Garg	0.06	-	-	-
	<b>0.06</b>	-	-	-
<b>Loan converted into equity</b>				
Mr. Balram Garg	-	210.99	-	-
	-	<b>210.99</b>	-	-
<b>Adjustment towards loan</b>				
Mr. Balram Garg	0.08	0.06	-	-
	<b>0.08</b>	<b>0.06</b>	-	-
<b>Rent paid</b>				
Mr. Balram Garg	0.03	0.02	-	-
	<b>0.03</b>	<b>0.02</b>	-	-

\* Rounded off to nil

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 37: RELATED PARTY TRANSACTIONS (CONTD.)**

(₹ in crore)

Particulars	Key management personnel/ Directors and their relatives		Entities where significant influence is exercised by KMP/ Director and/or their relatives having transactions with the Group	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Balance outstanding at the year end</b>				
<b>Loan outstanding</b>				
Mr. Balram Garg	4.29	4.37	-	-
	<b>4.29</b>	<b>4.37</b>	-	-
<b>Rent recoverable</b>				
Mr. Balram Garg	-	0.16	-	-
	-	<b>0.16</b>	-	-
<b>Remuneration payable</b>				
Mr. Sanjeev Bhatia	0.03	0.02	-	-
Mr. Vijay Panwar	0.03	0.03	-	-
Mr. Ramesh Kumar Sharma	0.03	0.02	-	-
	<b>0.09</b>	<b>0.07</b>	-	-
<b>Sitting fees payable</b>				
Mr. Krishan Kumar Khurana	0.02	0.02	-	-
Mr. Miyar Ramanath Nayak	0.02	0.02	-	-
Mr. Manohar Lal Singla	0.03	0.03	-	-
Mrs. Sannovanda Machaiah Swathi	-	-	-	-
Mr. Suresh Kumar Jain	-*	-*	-	-
	<b>0.07</b>	<b>0.07</b>	-	-
<b>Advances recoverable</b>				
Mr. Sanjeev Bhatia	0.48	0.48	-	-
Mr. Vijay Panwar	0.15	0.15	-	-
Mr. Ramesh Kumar Sharma	0.50	0.50	-	-
	<b>1.13</b>	<b>1.13</b>	-	-

**NOTE 38: SEGMENT REPORTING**

The Group is engaged in the business of trade, manufacture and sale of gold, diamond, silver, precious stone, gold jewellery/items, diamond studded jewellery and silver articles of various designs/specifications. The Group's manufacturing facilities are located in India. Management currently identified different geographical areas, i.e., domestic sales and export sales as operating segments. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results. The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Group level.

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

Segment information has been prepared in conformity with the accounting policies adopted for preparation and presentation of the financial statements of the Group.

### (a) Information about Business Segment - Primary for the year ended 31 March 2022

(₹ in crore)

	Export		Domestic		Total before eliminations		Eliminations		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Revenue</b>										
Sale of goods	196.78	256.33	1,516.58	2,610.30	1,713.36	2,866.63	107.23	40.29	<b>1,606.13</b>	<b>2,826.34</b>
<b>Total revenue</b>	<b>196.78</b>	<b>256.33</b>	<b>1,516.58</b>	<b>2,610.30</b>	<b>1,713.36</b>	<b>2,866.63</b>	<b>107.23</b>	<b>40.29</b>	<b>1,606.13</b>	<b>2,826.34</b>
Finance income	0.42	1.38	12.12	14.68	12.54	16.06	7.16	7.22	<b>5.38</b>	<b>8.84</b>
<b>Segment results</b>										
Total profit/(loss) before finance cost and unallocable expenditure	(146.28)	(12.04)	79.85	428.22	(66.43)	416.18	(5.66)	0.06	<b>(60.77)</b>	<b>416.14</b>
Finance cost	5.23	10.02	429.39	377.39	434.62	387.41	7.16	7.22	<b>427.46</b>	<b>380.19</b>
Unallocated expense	-	-	-	-	12.65	20.92	(7.16)	(7.22)	<b>19.81</b>	<b>28.14</b>
<b>Net profit/(loss) before tax</b>	<b>(151.51)</b>	<b>(22.06)</b>	<b>(349.54)</b>	<b>50.83</b>	<b>(513.70)</b>	<b>7.85</b>	<b>(5.66)</b>	<b>0.06</b>	<b>(508.04)</b>	<b>7.81</b>
Income tax expense	-	-	-	-	(117.04)	(54.19)	-	-	<b>(117.04)</b>	<b>(54.19)</b>
<b>Net profit/(loss) after tax</b>	<b>(151.51)</b>	<b>(22.06)</b>	<b>(349.54)</b>	<b>50.83</b>	<b>(396.66)</b>	<b>62.04</b>	<b>(5.66)</b>	<b>0.06</b>	<b>(391.00)</b>	<b>62.00</b>
<b>Assets</b>										
<b>Segment assets</b>	1,600.47	1,896.30	7,278.90	7,413.98	8,879.37	9,310.29	1,503.85	1,498.30	<b>7,375.52</b>	<b>7,811.99</b>
Unallocated assets	-	-	-	-	411.33	346.13	241.78	260.39	<b>169.55</b>	<b>85.74</b>
<b>Total assets</b>	<b>1,600.47</b>	<b>1,896.30</b>	<b>7,278.90</b>	<b>7,413.98</b>	<b>9,290.70</b>	<b>9,656.42</b>	<b>1,745.63</b>	<b>1,758.69</b>	<b>7,545.07</b>	<b>7,897.73</b>
<b>Liabilities</b>										
Segment liabilities	1,605.87	1,647.11	3,555.62	3,486.14	5,161.49	5,133.25	1,638.78	1,651.97	<b>3,522.771</b>	<b>3,4811.28</b>
Unallocated liabilities	-	-	-	-	133.63	147.14	-	-	<b>133.63</b>	<b>147.14</b>
<b>Total liabilities</b>	<b>1,605.87</b>	<b>1,647.11</b>	<b>3,555.62</b>	<b>3,486.14</b>	<b>5,295.12</b>	<b>5,280.39</b>	<b>1,638.78</b>	<b>1,651.97</b>	<b>3,656.34</b>	<b>3,628.42</b>
Capital expenditure	-	-	1.91	1.70	1.91	1.70	-	-	<b>1.91</b>	<b>1.70</b>
<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>	<b>1.91</b>	<b>1.70</b>	<b>1.91</b>	<b>1.70</b>	<b>-</b>	<b>-</b>	<b>1.91</b>	<b>1.70</b>
Depreciation and amortisation	0.65	0.66	27.10	34.27	27.75	34.93	-	-	<b>27.75</b>	<b>34.93</b>
<b>Total depreciation and amortisation</b>	<b>0.65</b>	<b>0.66</b>	<b>27.10</b>	<b>34.27</b>	<b>27.75</b>	<b>34.93</b>	<b>-</b>	<b>-</b>	<b>27.75</b>	<b>34.93</b>
<b>Non cash expenditures other than depreciation (net)</b>										
Unrealised foreign exchange gain	(107.29)	(57.79)	-	6.52	(107.29)	(51.27)	-	-	<b>(107.29)</b>	<b>(51.27)</b>

Segment assets are inclusive of capital advances.

Capital expenditure pertains to additions made to property, plant and equipment and intangible assets during the year.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 39: HEDGING ACTIVITY AND DERIVATIVES**

- (i) The Group enters into foreign currency forward contracts to hedge against the foreign currency risk relating to payment of foreign currency payables. The Group does not apply hedge accounting on such relationships. Further, the Group does not enter into any derivative transactions for speculative purposes.

**Fair value hedge of gold price risk in inventory**

The Group enters into contracts to purchase gold wherein the Group has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Group designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Group designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. There is no ineffectiveness in the relationships designated by the Group for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

**As at 31 March 2022**

Since there are no outstanding hedging instruments i.e. option to fix gold prices with respect to fair value hedge accounting as at 31 March 2022, there is no impact of change in fair value of the hedged item i.e. inventory of gold.

**As at 31 March 2021**

(₹ in crore)								
Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Impact of change in fair value relating to the hedged risk
	Assets	Liabilities	Assets	Liabilities				
Hedged item - inventory of gold	10.77	-	Not applicable	Not applicable	Range - within 6 months	1:1	Inventory	(0.88)
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	0.88	-	Range - within 6 months		Trade payables	0.88

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### NOTE 40: FINANCIAL INSTRUMENTS

#### i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates;

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

	(₹ in crore)			
	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2022</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	2.74	-	-	<b>2.74</b>
<b>Derivative instruments</b>				
Option to fix prices of gold in purchase contracts	-	-	-	-
<b>Total financial assets</b>	<b>2.74</b>	-	-	<b>2.74</b>
<b>Financial liabilities</b>				
<b>Derivative instruments</b>				
Forward contracts	-	-	-	-
<b>Total financial liabilities</b>	-	-	-	-
<b>As at 31 March 2021</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	8.32	-	-	<b>8.32</b>
<b>Derivative instruments</b>				
Option to fix prices of gold in purchase contracts	0.88	-	-	<b>0.88</b>
<b>Total financial assets</b>	<b>9.20</b>	-	-	<b>9.20</b>
<b>Financial liabilities</b>				
<b>Derivative instruments</b>				
Forward contracts	-	3.22	-	<b>3.22</b>
<b>Total financial liabilities</b>	-	<b>3.22</b>	-	<b>3.22</b>

#### (ii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for investments in mutual funds.
- Use of market available inputs such as gold prices and foreign exchange rates for option to fix prices of gold in purchase contracts and foreign currency forward contracts.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 41: FINANCIAL RISK MANAGEMENT**
**i) Financial instruments by category**

Particulars	31 March 2022		31 March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments				
- mutual funds	2.74	-	8.32	-
Loans to body corporates	-	11.86	-	6.20
Trade receivables	-	1,433.87	-	1,428.93
Security deposits	-	28.32	-	26.49
Cash and cash equivalents	-	23.38	-	57.77
Other receivables	-	0.02	-	0.02
Unclaimed dividend account	-	0.09	-	0.10
Bank deposits	-	36.94	-	122.13
<b>Total</b>	<b>2.74</b>	<b>1,534.48</b>	<b>8.32</b>	<b>1,641.64</b>
<b>Financial liabilities</b>				
Borrowings	-	3,282.73	-	2,316.23
Trade payables*	-	16.37	-	937.35
Lease liabilities	-	107.88	-	120.01
Derivative financial liabilities	-	-	3.22	-
Other financial liabilities	-	38.89	-	52.51
<b>Total</b>	<b>-</b>	<b>3,445.87</b>	<b>3.22</b>	<b>3,426.10</b>

\* Trade payables for 31 March 2021 included the value of the option to fix prices on gold purchases (embedded derivative) that is carried at FVTPL. The value of such embedded derivative which was financial asset of ₹ 0.88 crore as at 31 March 2021 was reduced from value of trade payables (as discussed further below).

- (a) The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.
- (b) The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following table presents the option to fix prices on gold purchases that are added to/offset with trade payables, as at 31 March 2022 and 31 March 2021:

Particulars	(₹ in crore)		
	Amount of trade payables	Gross amounts set off/added to the balance sheet	Amounts presented in the balance sheet
31 March 2022	16.37	-	16.37
31 March 2021	938.23	(0.88)	937.35

Option to fix prices on gold purchases is an embedded derivative that will be settled together with the trade payables. Accordingly, such amounts are either added to or offset with but are shown separately in the table above.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### ii) Risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade Receivables	Ageing analysis and impairment testing	The Group has old and existing relationship with its debtors and continues to remain confident of realizing the same in due course of time. The Group has therefore not classified any of its pending debt as bad or unrecoverable. However, at the same time, as a mark of adequate financial prudence, the Group has during the current financial year made provision in the form of ECL to the tune of ₹ 188.08 crore.
Liquidity risk	Operational expenditure, vendor payments, bank interest & other statutory liabilities	Cash flow forecasts	Availability of credit lines and borrowing facilities. The Parent Company has applied to its lender banks for restructuring of its debt and its proposal is under consideration.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting sensitivity analysis	The Group is a net foreign exchange positive unit and hence does not foresee any forex risk on its financials.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	The Parent Company has already applied to its lender banks for freezing its borrowing interest rate and the same is under consideration.
Market risk - security price	Investments in mutual funds	Sensitivity analysis	The Group's investments in mutual funds is non material vis a vis its balance sheet size.
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	The Group deals in gold jewellery wherein its sales are also linked with gold prices and hence does not foresee any market risk linked with gold prices.

The Group's board has approved a comprehensive Risk Management Policy as well as Forex & Commodity Risk Management Policy. Taken together these two policies cover nearly the entire gamut of the Group's operations.

#### A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Group causing financial loss. It arises from outstanding trade receivables to whom the Group has either made direct sales or sent the goods on consignment.

However, the majority of Group's sales are in the domestic segment in which no credit is involved. The credit risk arises only from the export sales which are on a B2B basis and on a credit basis. Though the receivable realization used to be on time, for the past three years there have been overdues and currently the entire lot of outstanding export receivables are overdue.

The Group however, has old and existing relationship with its debtors and continues to remain confident of realizing the same in due course of time. The Group has therefore not classified any of its outstanding debt as bad or unrecoverable. However, at the same time, as a mark of adequate financial prudence, the Group has during the current financial year made provision in the form of ECL to the tune of ₹ 188.08 crore.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**

Detail of trade receivables that are past due is given below:

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Not due	12.56	94.09
0-30 days past due	191.49	58.44
31-60 days past due	12.72	1.85
61-90 days past due	0.10	1.00
More than 90 days past due	1,468.64	1,337.11
Expected credit loss (loss allowance provision)	(251.64)	(63.56)
	<b>1,433.87</b>	<b>1,428.93</b>

Reconciliation of loss allowance provision from beginning to end of reporting period:

	(₹ in crore)
	Trade receivables
Loss allowance on 1 April 2020	63.40
Loss allowance created during the year	0.16
<b>Loss allowance as on 31 March 2021</b>	<b>63.56</b>
Loss allowance created during the year	188.08
<b>Loss allowance as on 31 March 2022</b>	<b>251.64</b>

**Concentration of financial assets**

Concentration of credit risk with respect to trade receivables are limited, due to the Group's consumer base being large and diverse. All trade receivable are reviewed and assessed for default on a quarterly basis.

The Group's exposure to credit risk for trade receivables is presented below:

	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
<b>Concentration of trade receivables*</b>		
Export wholesale customers	1,418.91	1,375.95
Domestic wholesale customers	1.72	38.13
Franchise stores	13.10	14.55
Others	0.14	0.30
	<b>1,433.87</b>	<b>1,428.93</b>

\*Net of expected credit loss amounting to ₹ 251.64 crore (31 March 2021 : ₹ 63.56 crore)

**B) Liquidity risk**

The liquidity risk management involves adjusting the operational expenditure, vendor payments, bank interest & other statutory liabilities etc with the incoming cash flows. The Parent Company has applied to its lender banks for restructuring of its debt and its proposal is under consideration.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### Contractual maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

						(₹ in crore)
31 March 2022	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>						
Borrowings (including interest)	3,282.73	-	-	-	-	3,282.73
Trade payables	-	16.37	-	-	-	16.37
Other financial liabilities	0.09	38.80	-	-	-	38.89
Lease liabilities (including interest)	-	33.33	28.67	24.30	62.50	148.80
<b>Total</b>	<b>3,282.82</b>	<b>88.50</b>	<b>28.67</b>	<b>24.30</b>	<b>62.50</b>	<b>3,486.79</b>

						(₹ in crore)
31 March 2021	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-derivatives</b>						
Borrowings (including interest)	2,293.85	1.05	0.22	0.11	0.02	2,295.25
Trade payables	-	937.35	-	-	-	937.35
Other financial liabilities	0.10	52.42	-	-	-	52.52
Lease liability	-	32.14	30.55	27.31	73.75	163.75
<b>Total</b>	<b>2,293.95</b>	<b>1,022.96</b>	<b>30.77</b>	<b>27.42</b>	<b>73.77</b>	<b>3,448.87</b>

### C) Market risk - foreign exchange

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency. However, the Group is a net foreign exchange positive unit and hence does not foresee any forex risk on its financials.

#### Sensitivity

The sensitivity to profit or loss from changes in the exchange rates arises mainly from financial instruments denominated in USD. In case of a reasonably possible change in INR/USD exchange rates of +/- 4% (previous year +/-4%) at the reporting date, keeping all other variables constant, there would have been corresponding impact on losses/profits of ₹ 55.16 crore (previous year ₹ 42.08 crore).

### D) Interest rate risk

#### i) Liabilities

The Parent Company does not have any long term financing. As on 31st March 2022, the Parent Company is exposed to changes in market interest rates through bank borrowing at variable interest rates, however, it has applied to its Lenders for bringing its borrowings to a fixed rate regime and the same is under consideration.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### *Interest rate risk exposure*

Below is the overall exposure of the Group to interest rate risk:

Particulars	₹ in crore)	
	31 March 2022	31 March 2021
Variable rate borrowing	3,278.40	2,289.45
Fixed rate borrowing	4.33	4.81
<b>Total borrowings</b>	<b>3,282.73</b>	<b>2,294.26</b>

### **Sensitivity**

The sensitivity to profit or loss in case of a reasonably possible change in interest rates of +/- 50 basis points (previous year: +/- 50 basis points), keeping all other variables constant, would have resulted in corresponding impact on losses/profits by ₹ 12.62 crore (previous year ₹ 9.03 crore).

#### **ii) Assets**

The Group's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### **E) Market risk - security price**

##### **Exposure from investments in mutual funds:**

The Group's exposure to price risk arises from investments in mutual funds held by the Group and classified in the balance sheet as current investments. However, the Group's investments in mutual funds is non material vis a vis its balance sheet size.

##### **Sensitivity:**

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in corresponding impact on (losses)/profits by ₹ 0.10 crore (previous year ₹ 0.31 crore).

#### **F) Market risk - gold prices**

The Group's exposure to price risk also arises from trade payables of the Group that are at unfixed prices, and, therefore, payment is sensitive to changes in gold prices. However, the Group does not have any unfixed trade payables as on 31 March 2022. Hence, there is no market risk linked to gold prices.

### **NOTE 42: CAPITAL MANAGEMENT**

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

Particulars	(₹ in crore)	
	31 March 2022	31 March 2021
Non-current borrowings (refer note 17)	-	0.32
Current borrowings (refer note 19)	3,282.73	2,293.85
Other financial liability (refer note 21)	-	22.06
Less: Cash and cash equivalents (refer note 13)	(23.38)	(57.77)
<b>Net debts</b>	<b>3,259.33</b>	<b>2,258.46</b>
Equity share capital (refer note 15)	465.40	465.40
Other equity (refer note 16)	3,423.33	3,803.91
<b>Total capital</b>	<b>3,888.73</b>	<b>4,269.31</b>
<b>Gearing ratio</b>	<b>83.81%</b>	<b>52.90%</b>

### NOTE 43: MICRO, SMALL AND MEDIUM ENTERPRISES

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as at the balance sheet date is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	(₹ in crore)	
	31 March 2022	31 March 2021
(a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
Principal amount due to micro and small enterprises	0.16	0.31
Interest due on above	0.29	0.21
(b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.29	0.21
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.29	0.21

### NOTE 44: CONTINGENT LIABILITY

Particulars	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
(a) Claims against the Group not acknowledged as debts*#	1.01	1.01
(b) Demand from the income-tax authorities*	0.19	5.47
(c) Demands from the Custom authorities against which appeals have been filed (amounts paid under protest ₹ 2.43 crore)	2.43	2.43
(d) Demands from the sales tax authorities against which appeals have been filed*	8.24	8.24

\*Excluding interest, if any, which is not ascertainable

#The Group has furnished bank guarantees amounting to ₹ 0.46 crore for ongoing litigations

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**
**NOTE 45: LEASES**

The Group's lease assets primarily consist of leases for buildings for showrooms and offices having various lease terms.

**i) Lease liabilities are presented in the statement of financial position as follows:**

Particulars	(₹ in crore)	
	As at 31 March 2022	As at 31 March 2021
Current	30.11	29.55
Non-current	77.77	90.46
<b>Total</b>	<b>107.88</b>	<b>120.01</b>

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 41(ii)(B).

The Group has leases for the factory, showrooms and offices. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Group has considered automatic extension option available for the property leases in lease period assessment since the Group can enforce its right to extend the lease beyond the initial lease period as the Group is likely to be benefited by exercising the extension option.

**ii) The recognised right-of-use assets relate to the retail outlets and other marketing offices as at 31 March 2022.**

Particulars	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
<b>Right-of-use assets- retail outlets and other marketing offices</b>		
Balance as on beginning of the year	92.95	108.58
Add: Additions on account of new leases entered during the year	11.09	7.37
Less: Termination/ modifications	3.82	2.08
Less: Amortisation expense charged on the right-of-use assets	19.61	20.92
<b>Balance as at 31 March 2022</b>	<b>80.61</b>	<b>92.95</b>

**iii) The following are amounts recognised in the statement of profit and loss:**

Particulars	(₹ in crore)	
	Year ended 31 March 2022	Year ended 31 March 2021
Amortisation expense of right-of-use assets	19.61	20.92
Interest expense on lease liabilities	13.43	14.63
Rent expense	4.67	3.56
<b>Total</b>	<b>37.71</b>	<b>39.11</b>

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

### iv) Lease payments not recognised as a liability

(₹ in crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expenses relating to short term leases (included in other expenses)	2.42	3.27
Expenses relating to variable lease payments not included in lease payments	0.20	0.29
<b>Total</b>	<b>2.62</b>	<b>3.56</b>

v) At 31 March 2022, the Group was committed to short-term leases and the total commitment at that date was ₹ 2.03 crore.

vi) Total cash outflow for leases for the year ended 31 March 2022 was ₹ 32.13 crore.

vii) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)
Retail outlets and other marketing offices	69	1-9	3.85

The Group has a right to extend/terminate its leasing arrangements beyond the initial agreement/lock in period. For the assessment of lease term as per Ind AS 116, the management of the Group has considered the extension options and not considered the early termination options wherever available for its property leases in its lease period assessment since the Group is likely to be benefited from a longer lease tenure.

viii) During the year ended 31 March 2022, the Parent Company has renegotiated with certain landlords on rent reduction/waiver due to Covid-19 pandemic. The management believes that such reduction/waiver in rent is short term in nature and meets the conditions in accordance with the notification dated July 24, 2020 issued by the Central Government in consultation with National Financial Reporting Authority as per Companies (Indian Accounting Standards) Amendment Rules, 2020 effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Parent Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification. Accordingly, the Parent Company has recognized ₹ 3.25 crores in the Statement of Profit and Loss as "Other income" during the year ended 31 March 2022.

### NOTE 46: CORPORATE SOCIAL RESPONSIBILITY

The Parent Company's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of the Act. The CSR committee has been formed by the Parent Company as per the Act. A CSR committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalisation of such proposals in due course.

(₹ in crore)

S.No	Particulars	As at 31 March 2022	As at 31 March 2021
(i)	Amount required to be spent by the Parent Company during the year	0.94	6.37
(ii)	Amount of expenditure incurred	-	-
(iii)	Shortfall at the end of the year	0.94	6.37
(iv)	Total of previous years shortfall	6.37	-
(v)	Reasons for shortfall	Refer note below	Refer note below
(vi)	Nature of CSR activities	-	-
(vii)	Details of related party transactions e.g. Contribution to a trust controlled by the Parent Company in relation to CSR expenditure as per relevant accounting standards	-	-
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision	-	-



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

**Note:** The Parent Company's liquidity position had become very constrained after March 2020 on account of lockdowns and disruptions in business due to spread of covid-19 pandemic. During FY 2020-21, a cheque for ₹ 6.50 crore was issued by the Parent Company towards CSR expenditure to an implementing agency as approved by Corporate Social Responsibility Committee and the Board of Directors which however, could not get cleared subsequently due to liquidity constraints. Thereafter, the Parent Company's accounts with its Lenders turned NPA as on 30 June 2021 and its banking transactions got highly restricted. Therefore, the CSR expenditure for FY 2020-21 and 2021-22 remains unspent. Further the Parent Company submitted a request to its Lead Bank (State Bank of India) for opening a special current account under the nomenclature of "Unspent Corporate Social Responsibility Account" in March 2022 on which no action was taken by the Bank. However, the Parent Company's resolution process is under active consideration with its Lenders and it is confident of meeting the necessary compliances as per the law post implementation of the resolution process.

### NOTE 47: RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS -7 CASH FLOWS

The changes of the Group's liabilities arising from financing activities can be classified as follows:

Particulars	(₹ in crore)				
	Long term borrowings	Short term borrowings	Equity share capital	Lease liabilities	Total
<b>Net debt as at 01 April 2020</b>	<b>12.00</b>	<b>2,282.43</b>	<b>395.00</b>	<b>134.67</b>	<b>2,824.10</b>
Proceeds from allotment of employee stock options	-	-	0.07	-	<b>0.07</b>
New leases	-	-	-	6.55	<b>6.55</b>
Termination/modification of leases	-	-	-	(12.23)	<b>(12.23)</b>
Repayment of non-current borrowings (net)	(11.58)	-	-	-	<b>(11.58)</b>
Payment of lease liabilities	-	-	-	(23.70)	<b>(23.70)</b>
Payment of interest on lease liabilities	-	-	-	14.72	<b>14.72</b>
Proceeds of short term borrowings (net)	-	222.47	-	-	<b>222.47</b>
Loan/interest paid	-	(0.06)	-	-	<b>(0.06)</b>
Prefential allotment of Equity Shares	-	(210.99)	70.33	-	<b>(140.66)</b>
<b>Net debt as at 31 March 2021</b>	<b>0.42</b>	<b>2,293.85</b>	<b>465.40</b>	<b>120.01</b>	<b>2,879.68</b>
Proceeds from allotment of employee stock options	-	-	-	-	-
New leases	-	-	-	10.66	<b>10.66</b>
Termination/modification of leases	-	-	-	(7.67)	<b>(7.67)</b>
Repayment of non-current borrowings (net)	(0.42)	-	-	-	<b>(0.42)</b>
Payment of lease liabilities	-	-	-	(28.55)	<b>(28.55)</b>
Payment of interest on lease liabilities	-	-	-	13.43	<b>13.43</b>
Proceeds of short term borrowings (net)	-	1,140.10	-	-	<b>1,140.10</b>
Loan/interest paid	-	(151.22)	-	-	<b>(151.22)</b>
Prefential allotment of Equity Shares	-	-	-	-	-
<b>Net debt as at 31 March 2022</b>	<b>-</b>	<b>3,282.73</b>	<b>465.40</b>	<b>107.88</b>	<b>3,856.01</b>

### NOTE 48: IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS

Ind AS 115: Revenue from Contracts with Customers, establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

### (a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography.

	(₹ in crore)	
Revenue from operations	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue by geography</b>		
Export	196.78	256.33
Domestic	1,409.35	2,570.01
<b>Total</b>	<b>1,606.13</b>	<b>2,826.34</b>

### (b) Assets and liabilities related to contracts with customers

	(₹ in crore)	
Description	Year ended 31 March 2022 Current	Year ended 31 March 2021 Current
<b>Contract liabilities related to sale of goods</b>		
Advance from customers	56.93	47.77

### (c) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

	(₹ in crore)	
Description	Year ended 31 March 2022	Year ended 31 March 2021
Contract price	1,609.89	2,830.84
Less: Discount, rebates, credits etc.	3.76	4.50
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>1,606.13</b>	<b>2,826.34</b>

### NOTE 49: IMPACT OF COVID-19 CRISIS

The retail industry as a whole has been adversely impacted due to COVID-19 and consequent restrictions resulting out of it. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventory, receivable and other current assets. The management has exercised due care in concluding significant accounting judgements and estimates in preparation of financial results. Based on current indicators of future economic conditions, the Group expects the carrying amount of these assets will be recovered. However, given the continuing uncertainty on account of COVID-19, the final impact on the Group's assets in future may differ from that estimated as at the date of approval of these financial results.



## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022**

### **NOTE 50: DISCOUNT TO EXPORT CUSTOMERS**

- (a) During the financial year ended 31 March 2019, the Parent Company had provided discounts to its export customers aggregating to ₹ 513.65 crore and had submitted the requisite applications for approval from the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management Act, 1999. Subsequently, the Parent Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 323.07 crore. However, for the remaining discounts of ₹ 190.58 crores approvals are still awaited from the said authorities. Further, the management does not expect any material penalty to be levied on account of this matter and, therefore, no provision for the same has been provided in the books of accounts.
- (b) During the financial year ended 31 March 2020, one of the subsidiary company, PC Universal Private Limited, had provided discounts to its export customers aggregating to ₹ 4.75 crore. Subsequently, the subsidiary company submitted the requisite applications for approval from the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management Act, 1999. During the previous year ended 31 March 2021, the subsidiary company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 4.75 crore.

### **NOTE 51: DELAY IN RECEIPT OF FOREIGN CURRENCY AGAINST EXPORT**

Trade receivables as at 31 March 2022, inter alia, include outstanding from export customers of the Parent Company, aggregating to ₹ 1574.17 crore (net of discount explained in note 50 above) and without considering provision for expected credit loss which have been outstanding for more than 9 months. The Parent Company had filed necessary applications with the requisite authority per the regulations of the Foreign Exchange Management Act, 1999 for condonation of delays in repatriation of funds by its customers. The management is of the view that the possible penalties that may be levied, are currently unascertainable but would not be material and accordingly, no consequential adjustments have been made in the books of accounts with respect to such default. However, the management has made expected credit loss (ECL) provision of ₹ 188.07 crore in respect of these overdue receivables in compliance with Ind AS 109 'Financial Instruments'. This ECL provision amount is included in other expenses for the year ended 31 March 2022.

### **NOTE 52: DISSOLUTION OF SUBSIDIARY**

With effect from April 05, 2021 one of the subsidiary, M/s Comercializadora Internacional PC Jeweller International S.A.S., ceased to exist as the company had entered into settlement in its country of incorporation. Commercial Licence was surrendered on 19 November 2019 and the subsidiary had applied to DIAN authorities for closure of company. The company has obtained Certificate of dissolution from Chamber of Commerce of Medellin for Antioquia on April 09, 2021.

### **NOTE 53: ADDITIONAL REGULATORY INFORMATION**

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

- a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- b) The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

- c) The Parent Company has submitted Stock and debtors statement to the banks and also the Financial Follow-up Report (FFR). The quarterly returns or statements filed by the Parent Company with such banks or financial institutions are in agreement with the books of account of the Parent Company except the variances listed below:

Particulars	Amount as per statements submitted to bankers (₹ in crore)	Amount as per books of accounts (₹ in crore)	Differences in Amount (₹ in crore)	Differences in %
<b>Inventory</b>				
Qtr. ended June 2021	5,709.78	5,779.98	(70.20)	(1.23)
Qtr. ended Sept 2021	5,604.91	5,600.31	4.60	0.08
Qtr. ended Dec 2021	5,534.79	5,542.46	(7.67)	(0.14)
Qtr. ended Mar 2022	5,518.79	5,516.23	2.56	0.05
<b>Sundry Receivables</b>				
Qtr. ended June 2021	1,310.66	1,321.16	(10.50)	(0.80)
Qtr. ended Sept 2021	1,497.71	1,511.14	(13.43)	(0.90)
Qtr. ended Dec 2021	1,498.54	1,507.68	(9.14)	(0.61)
Qtr. ended Mar 2022	1,490.44	1,346.58	143.86*	9.65*

\*Mainly on account of Foreign exchange restatements and ECL provisions.

- d) The Group is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- e) The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013

Name of struck off company	Nature of transactions with struck off Company	Amount of transaction in (₹ in crore)	Balance outstanding (₹ in crore)	Relationship with the Struck off Company
Vaseem Patel Buildcon India Pvt. Ltd.	outstanding amount received in lieu of sale	0.08	-	Retail Customer
Kothari Intergroup Ltd.	Shares held by the company as on reporting date	-	-	Share holder*

\* 10 shares were held by struck off company as on 31 March 2022

- f) The Group has complied with the number of layers prescribed under section 2(87) of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.
- g) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- h) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**

persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- i) The Group does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- j) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- k) The Group has the following balances against the loans granted or advances in the nature of loans wherein there is no specific schedule of repayment of principal or payment of interest:

Type of Borrower	Amount (₹ in crore) of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advance in the nature of loans	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Directors	0.50	0.50	4.22%	2.17%
KMPs	0.63	0.63	5.32%	2.74%

**NOTE 54: DETAILS OF AMOUNTS DUE FROM ENTITIES PURSUANT TO REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND DISCLOSURE UNDER SECTION 186(4) OF THE ACT:**

As at 31 March 2022

Particulars	(₹ in crore)	
	Shivani Sarees Private Limited	Jewel Travels Private Limited
<b>Loans and advances</b>		
Loans at the beginning of the year (including accrued interest)	9.47	3.04
Additions during the year	-	-
Interest income during the year	0.56	0.18
Repayment/adjustment during the year	-	-
Interest paid during the year	1.32	-
TDS on Interest	0.06	0.02
Loans at the end of the year (including accrued interest)	8.65	3.21
Maximum balance outstanding during the year	9.47	3.21
Rate of interest	Refer note (ii)	Refer note (iv)
Repayment terms	Refer note (iii)	Refer note (v)

**Notes :**

- (i) The Group has given loans to above entities for business purposes. All the loans given are unsecured loans.
- (ii) As per the agreement, the rate of interest for the loan is the prevailing 10 year government bond yield.
- (iii) The loan is to be repaid in 10 half yearly installments commencing from 1 April 2024.
- (iv) As per the agreement, the rate of interest for the loan is the prevailing 5 year government bond yield.
- (v) The loan is to be repaid within 7 years from the date of the receipt.

# PC JEWELLER LIMITED

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

As at 31 March 2021

Particulars	(₹ in crore)	
	Shivani Sarees Private Limited	Jewels Travels Private Limited
<b>Loans and advances</b>		
Loans at the beginning of the year (including accrued interest)	9.03	-
Additions during the year	-	3.00
Interest income during the year	0.47	0.04
Repayment/adjustment during the year	-	-
Interest paid during the year	0.03	-
Loans at the end of the year (including accrued interest)	9.47	3.04
Maximum balance outstanding during the year	9.50	3.04
Rate of interest	Refer note (ii)	Refer note (iv)
Repayment terms	Refer note (iii)	Refer note (v)

**Note:**

- (i) The Group has given loans to above entities for business purposes. All the loans given are unsecured loans.
- (ii) As per the agreement, the rate of interest for the loan is the prevailing 10 year government bond yield.
- (iii) The loan is to be repaid in 10 half yearly installments commencing from 1 April 2024.
- (iv) As per the agreement, the rate of interest for the loan is the prevailing 5 year government bond yield.
- (v) The loan is to be repaid within 7 years from the date of the receipt.

**NOTE 55: GROUP INFORMATION**

Consolidated financial statements as at 31 March 2022 comprise the financial statements of PC Jeweller Limited and its subsidiaries, which are as under:

Subsidiaries	Principal activities	Country of incorporation	Status of financial statements as at 31 March 2022	% equity interest as at	
				31 March 2022	31 March 2021
<b>A Indian subsidiaries:</b>					
PC Universal Private Limited	Jewellery manufacturing and export	India	Audited	100	100
Transforming Retail Private Limited	Online retail trading in jewellery	India	Audited	100	100
Luxury Products Trendsetter Private Limited	Jewellery manufacturing and trading	India	Audited	100	100
PCJ Gems & Jewellery Limited	Jewellery manufacturing , trading, import and export	India	Audited	100	100
<b>B Foreign subsidiary:</b>					
PC Jeweller Global DMCC	Jewellery trading	UAE	Audited	100	100
Comercializadora Internacional PC Jeweller International SAS (refer note below)	Jewellery trading	Colombia	Audited	-	100

Note:

PC Jeweller Global DMCC has incorporated Comercializadora Internacional PC Jeweller International SAS (PCJ SAS) as its wholly owned subsidiary on 25 April 2017. PCJ SAS surrendered the Commercial Licence on 19 November 2019 and had applied to DIAN authorities for



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2022

closure of company. With effect from April 05, 2021, PCJ SAS ceased to exist as it had entered into settlement in its country of incorporation. It has obtained Certificate of dissolution from Chamber of Commerce of Medellin for Antioquia on April 09, 2021.

### NOTE 56: STATUTORY GROUP INFORMATION

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	Net assets i.e. total assets less total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crore	As % of consolidated profit/(loss)	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income	₹ in crore
<b>Parent:</b>								
PC Jeweller Limited	92.80	3,608.86	83.11	(324.98)	6.01	0.37	84.35	(324.61)
<b>Subsidiaries:</b>								
<b>Indian:</b>								
PC Universal Private Limited	2.52	97.86	0.12	(0.46)	-	-	0.12	(0.46)
Transforming Retail Private Limited	0.14	5.57	13.66	(53.41)	0.33	0.02	13.87	(53.39)
Luxury Products Trendsetter Private Limited	0.38	14.63	1.49	(5.81)	0.16	0.01	1.51	(5.80)
PCJ Gems & Jewellery Limited	.*	0.02	.*	(0.02)	.*	-	.*	(0.02)
<b>Foreign:</b>								
PC Jeweller Global DMCC	4.16	161.79	1.62	(6.32)	93.50	5.75	0.15	(0.57)
<b>Grand total</b>	<b>100.00</b>	<b>3,888.73</b>	<b>100.00</b>	<b>(391.00)</b>	<b>100.00</b>	<b>6.15</b>	<b>100.00</b>	<b>(384.85)</b>

\*rounded off to nil

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For and on behalf of the Board of Directors

**For Arun K Agarwal & Associates**  
Chartered Accountants  
Firm's Registration No.: 003917N

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director  
DIN-01980542

Sd/-  
**Balram Garg**  
Managing Director  
DIN-00032083

Sd/-  
**Arun Kumar Agarwal**  
Partner  
Membership No. 082899

Sd/-  
**Vijay Panwar**  
Company Secretary  
Membership No. A19063

Sd/-  
**Sanjeev Bhatia**  
Chief Financial Officer

Place: New Delhi  
Date: 30 May 2022

## Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results (Consolidated)

### Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(₹ in crores except earnings per share)

I.	Sl No.	Particulars	Consolidated Audited Figures (as reported before adjusting for qualifications)	Consolidated Audited Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1606.13 / 1658.94	1606.13/1658.94
	2.	Total Expenditure	2166.98	2166.98
	3.	Net Profit/(Loss)	(508.04)	(508.04)
	4.	Earnings Per Share	(8.40)	(8.40)
	5.	Total Assets	7545.07	7545.07
	6.	Total Liabilities	3656.34	3656.34
	7.	Net Worth	3888.73	3888.73
	8.	Any other financial item(s) (as felt appropriate by the management)	No	No
<b>II</b>	<b>Audit Qualification (each audit qualification separately)</b>			
	<b>a.</b>	<b>Details of Audit Qualification:</b>		
		As explained in Note 5(a) to the accompanying statement, the Holding Company during the financial year ended 31 March 2019 had provided discounts of ₹ 513.65 crore to its export customers which had been adjusted against the revenues for the said year. The Holding Company had initiated the process of complying with the requirements of the Master Circular on Exports of Goods and Services issued by the Reserve Bank of India and had filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. Subsequently, the Holding Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 323.07 crore. For the remaining discounts of ₹ 190.58 crore, in the absence of requisite approvals and material evidence related to such transactions, we are unable to comment on the impact, if any, of the same on the accompanying Statement. Auditor's Opinion for the year ended 31 March 2019, 31 March 2020 and 31 March 2021 and our conclusion for the quarter ended 30 June 2021, 30 September 2021 and 31 December 2021 were also modified in respect of this matter.		
	<b>b.</b>	<b>Type of Audit Qualification :</b> Qualified Opinion		
	<b>c.</b>	<b>Frequency of qualification:</b> In case of Holding Company, this has been appearing since year ended 31 March 2019		
	<b>d.</b>	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not Applicable		
	<b>e.</b>	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>		
	(i)	<b>Management's estimation on the impact of audit qualification:</b> Not Applicable		
	(ii)	<b>If management is unable to estimate the impact, reasons for the same:</b> In case of Holding Company, the management had extended the discounts as on 31 March 2019 in view of the genuine business problems and operational issues being faced by its overseas buyers. The discount extended amounted to one-time discount of 25% of the export value of outstanding receivables as on 31 March 2019. The discount extended is in accordance with the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management Act, 1999 and the management does not expect any material penalty to be levied and therefore, no provision for the same has been recognized in these financial results.		
	(iii)	<b>Auditors' Comments on (i) or (ii) above:</b> Refer our qualification above, in the absence of such approval and material evidence related to the transaction, we are unable to comment on the impact, if any, of the same on the accompanying consolidated financial results.		
<b>III</b>	<b>Signatories:</b>			
	•	<b>CEO/Managing Director</b>	Sd/-	
	•	<b>CFO</b>	Sd/-	
	•	<b>Audit Committee Chairman</b>	Sd/-	
	•	<b>Statutory Auditor</b>	Sd/-	

Place: New Delhi

Date: 30 May 2022



## PC Jeweller Limited

CIN: L36911DL2005PLC134929

Regd. Office: C - 54, Preet Vihar, Vikas Marg, Delhi – 110 092

Phone: 011 - 49714971, Fax: 011 – 49714972

E-mail: info@pcjeweller.com, Website: www.pcjeweller.com

# NOTICE

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of Members of PC Jeweller Limited will be held on Friday, September 30, 2022 at 1:00 P.M. (IST) through Video Conferencing / Other Audio Visual Means to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2022, the reports of the Board of Directors and Statutory Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Statutory Auditors thereon.
2. To appoint a Director in place of Shri Ramesh Kumar Sharma (DIN: 01980542), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. RE-APPOINTMENT OF SMT. SANNOVANDA MACHAIAH SWATHI (DIN: 06952954) AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions

of the Companies Act, 2013 (the “**Act**”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Smt. Sannovanda Machaiah Swathi (DIN: 06952954), who holds office as an Independent Director upto January 18, 2023 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, and based on the recommendations of Nomination and Remuneration Committee and the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for second term of 5 (Five) years with effect from January 19, 2023.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution.”

By order of the Board of Directors  
For **PC Jeweller Limited**

Sd/-

(VIJAY PANWAR)

**Company Secretary**

Place: New Delhi

Date: August 9, 2022

### NOTES:

1. In view of the ongoing Covid-19 pandemic, Ministry of Corporate Affairs (“**MCA**”) vide General Circular No. 02/2022 dated May 5, 2022 in continuation to the circulars issued earlier in this regard (collectively referred to as “**MCA Circulars**”) permitted holding of the Annual General Meeting (“**AGM**”) through Video Conferencing (“**VC**”) or Other Audio Visual Means (“**OAVM**”) up to December 31, 2022, without the physical presence of Members at a common

venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (the “**Act**”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and MCA Circulars, the 17<sup>th</sup> AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be the registered office of the Company.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a

Proxy to attend and vote on his / her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held pursuant to MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by Members will not be available for the AGM. Hence, Proxy Form, Route Map and Attendance Slip are not annexed to this Notice.

3. The explanatory statement pursuant to Section 102 of the Act in respect of Special Business Item No. 3 is annexed hereto and forms part of the Notice. The Board considered that Special Business Item No. 3, being unavoidable, shall be transacted at this AGM of the Company.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In compliance with MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the 17<sup>th</sup> AGM along with Annual Report 2021-22 is being sent through electronic mode to those Members whose e-mail addresses are registered with Depository Participants ("DPS") / Company / Registrar & Transfer Agent ("RTA") - KFin Technologies Limited ("KFin"), unless any member has requested for a physical copy of the same. AGM Notice and Annual Report will also be available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com), websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of KFin at <https://evoting.kfintech.com>.
6. The Company has engaged the services of KFin, as the Agency, for participation of Members in the 17<sup>th</sup> AGM through VC / OAVM, facility for remote e-voting and e-voting at the AGM.
7. Only those Members, whose names appear in Register of Members / List of Beneficial Owners as on **Friday, September 23, 2022 ("Cut-off Date")** shall be entitled to vote (through remote e-voting and at the AGM) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date. A person who is not a Member as on the Cut-off Date should treat this Notice for information only.
8. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid / unclaimed dividend amounts lying with the Company as on March 31, 2021 on

its website [www.pcjeweller.com](http://www.pcjeweller.com) in Investor section and also with the MCA.

As per Section 125 of the Act, any dividend amount remaining unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account, is required to be transferred to Investor Education and Protection Fund ("IEPF"). Accordingly, unclaimed dividends for financial years 2012-13 and 2013-14 have been transferred to IEPF by the Company. Also, the shares on which dividend remained unpaid / unclaimed for 7 consecutive years were transferred to the demat account of IEPF Authority as per Section 124 of the Act read with IEPF Rules.

In view of this, Members are requested to claim their unpaid dividends declared by the Company for financial year 2014-15 and thereafter, within the stipulated time and contact the Company or its RTA for claiming the same. In accordance with IEPF Rules, individual communications were sent to those Members whose shares are due for transfer to IEPF Authority during current financial year, informing them to claim their unclaimed / unpaid dividend before due date to avoid such transfer of shares to IEPF Authority and notice in this regard was also published in Newspapers.

9. Investors / Members may note that unclaimed share application money / dividends and relevant shares transferred to IEPF Authority can be claimed back. Concerned Investors / Members are advised to visit the weblink <http://iepf.gov.in/IEPF/refund.html> or contact the Company's RTA for lodging the claim for unclaimed share application money / dividends and relevant shares from IEPF Authority.
10. The Board of Directors has appointed Shri Randhir Singh Sharma, Practicing Company Secretary (CP No.: 3872), as the Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.
11. Members who would like to express their views or ask questions during the 17<sup>th</sup> AGM may register themselves as a speaker from 9:00 A.M. (IST) to 5:00 P.M. (IST) on September 26, 2022 by logging on at <https://emeetings.kfintech.com> and clicking on Speaker Registration option. Only those Members, who have registered themselves as a speaker, will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time and to ensure the smooth conduct of the AGM.
12. Members are requested to carefully read the '**Instructions for attending the 17<sup>th</sup> AGM, remote e-voting and e-voting at the 17<sup>th</sup> AGM**' mentioned hereunder:



**A) Instructions for attending the 17<sup>th</sup> AGM:**

- i) Members will be able to attend the AGM electronically through VC / OAVM at <https://emeetings.kfintech.com> by using their remote e-voting login credentials.
- ii) After logging in, click on "Video Conference" option.
- iii) Then click on camera icon appearing against AGM event of PC Jeweller Limited to attend the AGM. Please do the echo test once you enter into the AGM room.
- iv) For better experience, Members are requested to join the meeting through laptops, tablets etc. using Google Chrome or other browsers such as Firefox, Safari or Microsoft Edge after removing firewalls.
- v) Members are advised to use stable Wi-Fi or LAN connection to ensure smooth participation in the AGM. Participants may experience audio / video loss due to fluctuation in their respective networks.
- vi) Facility of joining the AGM through VC / OAVM will open 30 minutes before the scheduled time of the AGM.
- vii) Facility of joining the AGM through VC / OAVM shall be available for 1,000 Members on first come first serve basis. However, the participation of Members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders Relationship Committee as well as Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- viii) Corporates / Institutional Members (i.e. other than Individuals, HUF's, NRI's etc.) are requested to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc., authorizing their representatives to attend / participate in the AGM through VC / OAVM on their behalf and to vote through remote e-voting / e-voting at the AGM. The said Board Resolution / Authority Letter etc. shall be sent to the Scrutinizer at the e-mail address [rss.scrutinizer@gmail.com](mailto:rss.scrutinizer@gmail.com) with copy to [evoting@kfintech.com](mailto:evoting@kfintech.com). Institutional Members are encouraged to attend and vote at the AGM.
- ix) Members, who have cast their votes by remote e-voting can also attend the AGM through VC / OAVM but shall not be entitled to cast their votes again.

- x) In case of any query relating to the procedure for attending the AGM through VC / OAVM or for any technical assistance, Members may call on KFin's Toll Free No.: 1800-309-4001 or send an e-mail at [evoting@kfintech.com](mailto:evoting@kfintech.com).

**B) Instructions for remote e-voting and e-voting at the 17<sup>th</sup> AGM:**

- i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is pleased to provide to its Members the facility to exercise their right to vote by electronic means. The Company has engaged the services of KFin as the Agency to provide the facility of remote e-voting (before the AGM) and e-voting (at the AGM).
- ii) Members can opt for only one mode of voting i.e. remote e-voting or e-voting at the AGM.
- iii) The remote e-voting facility shall be available during the following period:

**Commencement of remote e-voting : From 9:00 A.M. (IST) on Tuesday, September 27, 2022**

**End of remote e-voting : Up to 5:00 P.M. (IST) on Thursday, September 29, 2022**

The remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin upon expiry of the aforesaid period.

- iv) Only those Members, who are present at the AGM through VC / OAVM and have not cast 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 at the AGM.
- v) Members who do not have User ID and Password for e-voting or have forgotten User ID and Password may retrieve the same by following the instructions for remote e-voting.
- vi) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- vii) In case of any query on e-voting, please visit Help and FAQs section available at KFin's website <https://evoting.kfintech.com> or e-mail at



evoting@kfintech.com or call KFin's Toll Free No.: 1800-309-4001.

- viii) Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Entities" e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- ix) Individual demat account holders would be able to cast their vote without having to register again with the e-Voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also

ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail address with their DPs to access e-voting facility.

- x) The detailed process and manner for remote e-voting and e-voting at the AGM are explained herein below:

**Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access to KFin's e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

## Details on Step 1:

**Login method for individual shareholders holding shares in demat mode is as under:**

Type of shareholders	Login Method
Individual shareholders holding shares in demat mode with National Securities Depository Limited ("NSDL")	<p><b>1. User already registered for IDeAS facility:</b></p> <ul style="list-style-type: none"> <li>i) Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>ii) Click on the "Beneficial Owner" icon under "Login" under "IDeAS" section.</li> <li>iii) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting".</li> <li>iv) Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.</li> </ul> <p><b>2. User not registered for IDeAS e-Services:</b></p> <ul style="list-style-type: none"> <li>i) To register click on link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>ii) Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>iii) Proceed with completing the required fields.</li> <li>iv) Follow steps given in points 1.</li> </ul> <p><b>3. Alternatively by directly accessing the e-voting website of NSDL:</b></p> <ul style="list-style-type: none"> <li>i) Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>ii) Click on the icon "Login" which is available under "Shareholder/Member" section.</li> <li>iii) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>iv) Post successful authentication, you will be requested to select the name of the company and the e-voting Service Provider name i.e. KFin.</li> <li>v) On successful selection, you will be redirected to KFin's e-voting page for casting your vote during the remote e-voting period.</li> </ul>



Type of shareholders	Login Method
Individual shareholders holding shares in demat mode with Central Depository Services (India) Limited ("CDSL")	<p><b>1. Existing user who have opted for Easi / Easiest:</b></p> <ul style="list-style-type: none"> <li>i) Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii) Click on New System Myeasi.</li> <li>iii) Login with your registered User ID and Password.</li> <li>iv) The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFin's e-Voting portal.</li> <li>v) Click on e-voting service provider name to cast your vote.</li> </ul> <p><b>2. User not registered for Easi / Easiest:</b></p> <ul style="list-style-type: none"> <li>i) Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>ii) Proceed with completing the required fields.</li> <li>iii) Follow the steps given in point 1.</li> </ul> <p><b>3. Alternatively, by directly accessing the e-voting website of CDSL:</b></p> <ul style="list-style-type: none"> <li>i) Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii) Provide your demat Account Number and PAN No.</li> <li>iii) System will authenticate user by sending OTP on registered mobile &amp; e-mail as recorded in the demat Account.</li> <li>iv) After successful authentication, user will be provided links for the respective ESP i.e. KFin where the e-voting is in progress.</li> </ul>
Individual shareholders login through their demat accounts / Website of DP	<ul style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility.</li> <li>2. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.</li> <li>3. Click on options available against company name or e-Voting service provider - KFin and you will be redirected to e-voting website of KFin for casting your vote during the remote e-voting period without any further authentication.</li> </ul>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk:** Helpdesk for individual shareholders holding shares in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Shares held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll Free No.: 1800 1020 990 and 1800 22 44 30.
Shares held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43.

#### Details on Step 2:

**Login method for shareholders other than individual shareholders holding shares in demat mode and shareholders holding shares in physical mode is as under:**

- A) Members whose e-mail addresses are registered with the DPs / Company / RTA, will receive an e-mail from KFin, which will include details of E-Voting Event Number (EVEN), User ID and Password. They will have to follow the following process:
  - i) Launch internet browser by typing the URL: <https://emeetings.kfintech.com>

- ii) Enter the login credentials (i.e. User ID & Password). Your User ID will be as under:
    - For Members holding shares in demat form with NSDL: 8 character DP ID followed by 8 digits Client ID
    - For Members holding shares in demat form with CDSL: 16 digits Beneficiary ID
    - For Members holding shares in physical form: EVEN Number followed by Folio No.
  - iii) After entering these details appropriately, click "LOGIN".
  - iv) You will now reach Password Change Menu, wherein you are required to mandatorily change your Password. The new Password shall comprise of minimum eight characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*, #, @ etc.). The system will prompt you to change your Password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter the secret question and answer of your choice to retrieve your Password in case you forget it. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
  - v) You need to login again with the new credentials.
  - vi) On successful login, system will prompt you to select the 'EVEN' i.e. '**PC Jeweller Limited**' and click on submit.
  - vii) On the voting page, you will see resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares as on the **Cut-off date i.e. September 23, 2022** (which represents number of votes) under 'FOR / AGAINST' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR / AGAINST' taken together shall not exceed your total shareholding. You may also choose the option 'ABSTAIN'. If Member does not indicate either 'FOR' or 'AGAINST', it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
  - viii) Cast your vote by selecting an appropriate option and click 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else click 'CANCEL' to change your vote.
  - ix) Once you 'CONFIRM' your vote on the resolution(s), you will not be allowed to modify your vote.
  - x) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- B) Members whose e-mail addresses are not registered with the DPs / Company / RTA, will have to follow the following process:
- i) Members who have not registered their e-mail addresses and consequently Annual Report 2021-22 and Notice of 17<sup>th</sup> AGM including e-voting instructions cannot be serviced to them electronically, may temporarily get their e-mail address and mobile number registered with KFin. For this purpose, Members are requested to:
    - a) visit the URL: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
    - b) Select the Company name i.e. PC Jeweller Limited and provide requisite details to register their e-mail address and mobile number.
  - ii) After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.
- 13.** Any person who becomes Member of the Company after despatch of the 17<sup>th</sup> AGM Notice and holds shares as on the Cut-off Date i.e. September 23, 2022 may obtain the User ID and Password in the following manner:
- i) If the mobile number of Member is registered against Folio No. / DP ID - Client ID, Member may send SMS: MYEPWD <space> e-voting Event Number + Folio No. or DP ID - Client ID to 9212993399  
  
Example for NSDL: MYEPWD <SPACE> IN12345612345678  
Example for CDSL: MYEPWD <SPACE> 1402345612345678  
Example for Physical: MYEPWD <SPACE> e-voting Event Number + Folio No.
  - ii) If e-mail address or mobile number of Member is registered against Folio No. / DP ID - Client ID, then on the home page of <https://evoting.kfintech.com>,



Member may click "Forgot Password" and enter Folio No. or DP ID - Client ID and PAN to generate a Password.

- iii) Member may call KFin's Toll Free No. 1800-309-4001.
- iv) Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com).

14. Pursuant to Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of the Directors seeking re-appointment at the 17<sup>th</sup> AGM are annexed hereto and forms part of this Notice.

15. Relevant documents referred to in this Notice and explanatory statement will be available for inspection electronically without any fee by Members upto the date of the AGM. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and the Certificate from Secretarial Auditor in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will be available for inspection electronically by Members during the AGM. Members desirous of inspecting such documents may send request from their registered e-mail address to [investors@pcjeweller.com](mailto:investors@pcjeweller.com) by mentioning their DP Id – Client Id / Folio Number.

16. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence to any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by the Company Secretary within 48 hours from the conclusion of the AGM at the Registered Office of the Company.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) and also on KFin's website <https://evoting.kfintech.com>. Simultaneously the results shall also be forwarded to BSE and NSE, where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. September 30, 2022.

**17. As per Regulation 40 of Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its Circular**

**dated January 25, 2022 has mandated that securities shall be issued only in dematerialised form while processing duplicate / unclaimed suspense / renewal / exchange / endorsement / sub-division / consolidation / transmission / transposition service requests received from physical securities holders. In view of this and to eliminate all the risks associated with physical shares, Members are advised to dematerialize shares held by them in physical form. Members can contact the Company's RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for seeking necessary assistance / guidance in this regard.**

18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members free of cost after making requisite changes.

**19. SEBI vide Circular dated November 3, 2021 read with Circular dated December 14, 2021 mandated furnishing of PAN, KYC, nomination and bank account details by holders of physical securities. Members holding shares in physical form are therefore requested to furnish the aforesaid documents / details with the Company's RTA. Effective from January 1, 2022, any service requests or complaints received from Member, will not be processed by RTA till the aforesaid documents / details are provided to RTA. On or after April 1, 2023, in case any of the aforesaid documents / details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) in Investor section.**

**Members holding shares in demat form are requested to submit their PAN, bank and other details with their respective DPs.**

20. As per the provisions of Section 72 of the Act, the facility for making nomination is available for Members in respect of their shareholding in the Company. Members, who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form No. SH-14. The said forms can be downloaded from the Company's website at [www.pcjeweller.com](http://www.pcjeweller.com) in Investor section. Members are requested to submit the said form with their respective DPs (in case the shares are held in demat form) and with the Company's RTA (in case the shares are held in physical form).

21. Members are requested to participate in the 'Green Initiative in Corporate Governance' for receiving all communications including Annual Report, Notices etc. from the Company electronically. Members, who have not yet registered their e-mail addresses, are requested to register the same with:

- i) their respective DPs (in case the shares are held in demat form); and

- ii) with the Company's RTA (in case the shares are held in physical form) at the e-mail address – einward.ris@kfintech.com along with the scanned copy of signed request letter mentioning their folio number, name and address, scanned copy of share certificate (front and back), self-attested scanned copy of PAN card and address proof viz. Aadhar Card, Driving License, Passport etc.

## EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

### Item No.: 3

Smt. Sannovanda Machaiah Swathi was appointed as an Independent Director of the Company at the 13<sup>th</sup> Annual General Meeting held on September 29, 2018, for a period of 5 years with effect from January 19, 2018 to January 18, 2023.

On the basis of performance evaluation and recommendation of Nomination and Remuneration Committee, the Board of Directors ("Board") at its meeting held on August 9, 2022 recommended the re-appointment of Smt. Swathi as an Independent Director, for second term of 5 (Five) years with effect from January 19, 2023 to January 18, 2028, subject to the approval of Members. Further, in terms of Section 160(1) of the Companies Act, 2013 (the "Act"), the Company has received a notice in writing from a Member, proposing her candidature for the office of Director. The profile and specific areas of expertise of Smt. Swathi are provided as Annexure to this Notice.

Smt. Swathi has intimated to the Company that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and also given her consent to act as a Director. Smt. Swathi also confirmed that she is not debarred or disqualified from being appointed or holding the office as a director of companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Smt. Swathi has also given declaration to the Company that she meets the criteria of independence as provided under the Act and the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and confirmed that she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Smt. Swathi is a person of integrity, possesses relevant expertise / experience and fulfils the conditions specified in the Act and the rules made thereunder as well as Listing Regulations for her re-appointment as an Independent Director of the Company and is independent of the management.

The Board has considered her diverse skills, leadership qualities, expertise / competencies in business and strategy, financial risk and management etc., as being key requirements for this role. In view of the aforesaid, the Board is of the opinion that Smt. Swathi possesses requisite skills and capabilities so as to enable the Board to discharge its functions and duties effectively and hence, it is desirable to re-appoint her as an Independent Director. The draft letter of re-appointment of Smt. Swathi as an Independent Director, setting out the terms and conditions, would be available for inspection by Members electronically.

In terms of Section 149 read with Schedule IV of the Act and Listing Regulations, re-appointment of Independent Director for second term requires approval of Members by way of a special resolution. Accordingly, the Board recommends the resolution set out at Item No. 3 of this Notice for your approval by way of a Special Resolution.

Except Smt. Swathi and her relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of this Notice.

By order of the Board of Directors  
For **PC Jeweller Limited**

Sd/-

Place: New Delhi

Date: August 9, 2022

(VIJAY PANWAR)

**Company Secretary**


**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 17<sup>TH</sup> ANNUAL GENERAL MEETING**

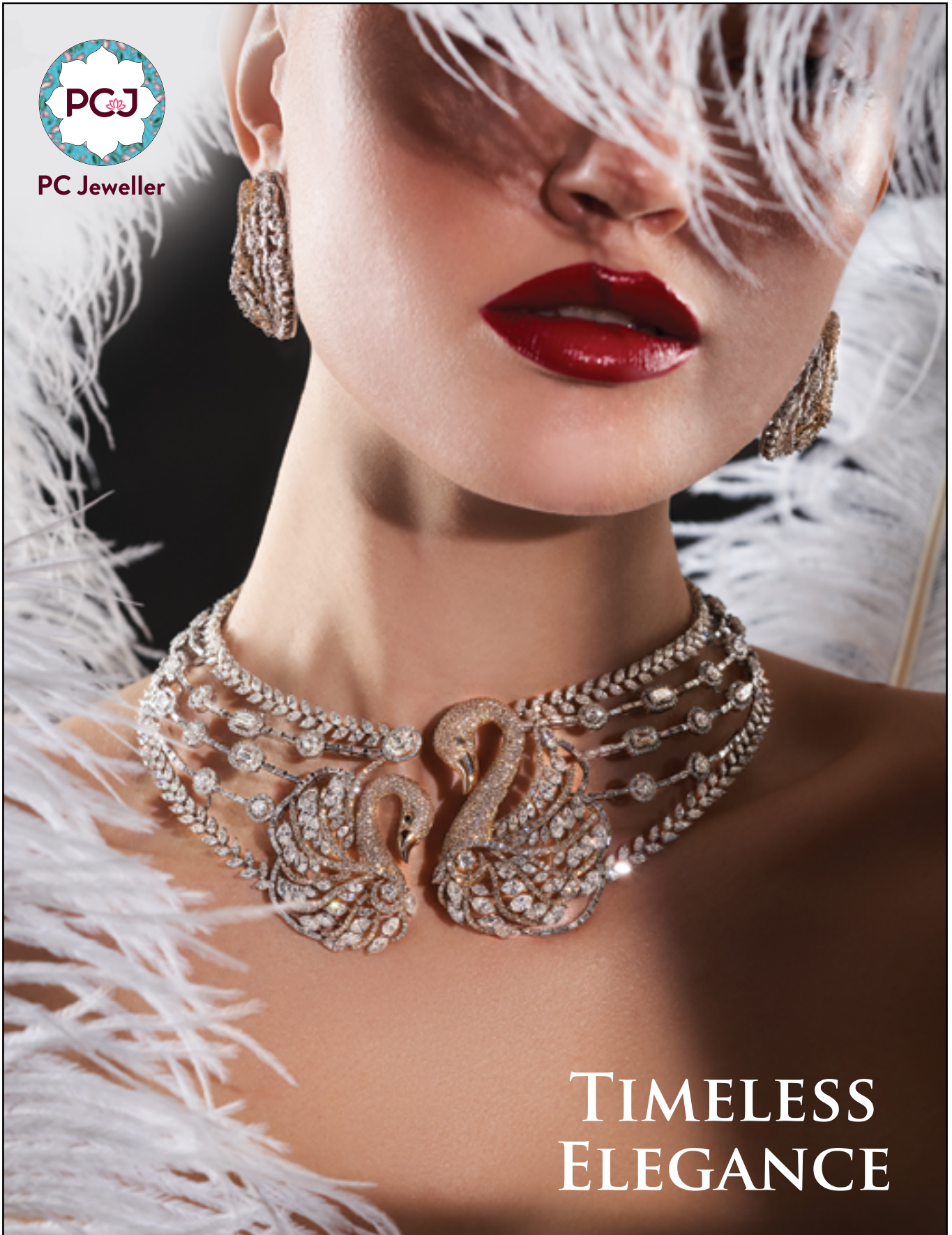
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

<b>Name</b>	<b>Shri Ramesh Kumar Sharma</b>	<b>Smt. Sannovanda Machaiah Swathi</b>
<b>Director Identification Number</b>	01980542	06952954
<b>Date of Birth</b>	September 27, 1957	July 24, 1957
<b>Qualifications</b>	Certified Associate of Indian Institute of Bankers, M.Com. and B.Com.	Certified Associate of Indian Institute of Bankers, MBA (Finance), M.Sc. (Agriculture Economics) and B.Sc. (Agriculture)
<b>Brief profile</b>	Shri Sharma aged 64 years is associated with the Company since April 2007 and over a period of 15 years he has immensely contributed to the growth of the Company. Prior to joining the Company, he was associated with State Bank of Bikaner and Jaipur and has over 29 years' experience in foreign exchange, credit and administration.	Smt. Swathi aged 65 years has rich experience in rural, commercial and social banking. After joining Corporation Bank, she rose upto the level of General Manager. She was the first lady executive of Corporation Bank right from AGM to GM level. Thereafter, she was associated with Bhartiya Mahila Bank as an Executive Director and acting Managing Director and also as an advisor, Deputy Managing Director level with State Bank of India at the time of retirement.
<b>Expertise in specific functional areas</b>	Administration, governance and industry experience	Review and strategic implementation of goals, financial and risk management etc.
<b>Date of first appointment on the Board</b>	February 7, 2014	January 19, 2018
<b>No. of meetings of the Board attended during financial year 2021-22</b>	5	2
<b>Remuneration drawn during financial year 2021-22</b>	₹ 39.71 lakh	Sitting Fee - ₹ 0.80 lakh
<b>Relationships between directors inter-se &amp; Key Managerial Personnel</b>	None	None
<b>Directorships held in other Indian companies (excluding foreign companies and Section 8 companies)</b>	None	Simplex Castings Limited Bhartiya International Limited Gold Plus Glass Industry Limited Aviom India Housing Finance Private Limited
<b>Memberships / Chairmanships of committees of the Board of public limited companies (includes only Audit Committee and Stakeholders' Relationship Committee)</b>	<b>PC Jeweler Limited</b> Stakeholders Relationship Committee	<b>Simplex Castings Limited</b> Audit Committee Stakeholders Relationship Committee <b>Gold Plus Glass Industry Limited</b> Audit Committee
<b>Shareholding in the Company</b>	1,32,500 equity shares	Nil
<b>Names of listed entities from which Director has resigned in the past three years</b>	None	None





PC Jeweller

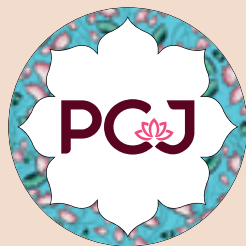


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**PC Jeweller**

**PC Jeweller Limited**

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