

Date: 14/02/2023

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.: Outcome of the Board Meeting**

Dear Sir / Ma'am,

The Board of Directors of the Company at its meeting held today i.e. February 14, 2023 has, inter-alia, considered and approved un-audited standalone and consolidated financial results of the Company for the quarter and nine months ended December 31, 2022 and taken note of limited review reports thereon issued by statutory auditor.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the above-said financial results alongwith limited review reports thereon.

The Board meeting commenced at .....5:30 P.M. .... and concluded at ...6:40 P.M. ....

Kindly take the same on record.

Thanking you.

Yours sincerely,  
For **PC Jeweller Limited**

  
  
(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

# ARUN K. AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

105, FIRST FLOOR, SOUTH EX. PLAZA-1  
389, MASJID MOTH, SOUTH EXTN. PART-II.  
NEW DELHI-110049

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## Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors  
PC Jeweller Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of PC Jeweller Limited (the "Company") for the quarter ended 31 December 2022 and year to date from 1 April 2022 to 31 December 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 ("the Act") as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



#### 4. Basis for Qualified Conclusion

- (i) As explained in Note 4 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 ₹ 330.49 crore. For the remaining discounts of ₹ 183.16 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, 31 March 2021 and 31 March 2022 and our conclusion for the quarter ended 30 June 2022 and 30 September 2022 were also modified in respect of this matter.
- (ii) With respect to provision for the expected credit loss/impairment relating to overdue overseas Trade Receivables as required under Ind-AS 109, the management reviews and computes the provision for expected credit losses on annual basis.

No realization has been made during the period from 1 April 2022 to 31 December 2022 against overdue trade receivables towards export of goods aggregating to ₹ 1719.09 crores (including unrealized foreign currency exchange gain of ₹ 251.56 crores) as on 31 December 2022 out of which ₹ 1121.45 crores (including unrealized foreign currency exchange gain of ₹ 170.03 crores) is outstanding from more than 3 years. A provision for expected credit losses of ₹ 250.63 crore was made upto 31 March 2022 against such export receivables.

Despite of no realization as per the scheduled expected dates from the export receivables, and in absence of any review and re-computation by the management for expected credit losses during the period under review, we are unable to examine adequacy of the provision for expected credit losses and its consequential impact and adjustments on the accompanying Statement.

- (iii) As explained in Note 7 to the accompanying statement, due to rejection of the resolution plan by the Lenders, the Lead Bank has initiated the recovery proceedings through Debt Recovery Tribunal (DRT) and obtained an order to seize, take control and prepare an inventory of entire stocks of hypothecated assets to the lenders. In response, the Company has moved to the Debts Recovery Appellate Tribunal (DRAT) against the order of the DRT, and the matter is sub-judice.

According to the Order of DRT and DRAT, the appointed agencies along with valuers have started necessary implementation of the Order including inventorization and valuation at various showrooms of company. Due to this



significant event, the Goodwill and the Brand image of the Company may have an adverse impact which consequently may affect the Net Realisable Value of the Inventory.

Further, there has been significant increase in inventory lying with Third Parties (Karigars/Job-Workers) during the quarter. The management explained that increase in inventory with third parties is as per the decision of Board of Directors in their meeting held on 27 October 2022 to meet the anticipated increase in demand of jewellery. However, the inventory lying with third parties is not adequately insured and has not been physically verified by any independent agency or lenders and such increase during the quarter does not seem to be commensurate with the current business operations. Quantum of Inventory lying with Third Parties is ₹ 2596.32 crore as on 31 December 2022 vis a vis ₹ 1034.29 crore as on 30 September 2022.

Further, no valuation reports by the independent Gemologist/valuer were made available to us for the inventory as shown in accompanying statement.

In view of the above, we are unable to examine and express a conclusion on inventory value and its consequential impact and adjustments on the accompanying Statement.

#### **5. Qualified Conclusion**

Based on our review conducted as above, except for the possible effects of the matters described in the previous paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### **6. Material Uncertainty related to Going Concern**

Rejection of proposed resolution plan in relation to Company's borrowing exposure, Order of DRT for initiation of full recovery proceedings on application of lead bank (SBI) and issuance of recall notices by the lenders, as explained in Note 7 to the accompanying statement, indicates that a material uncertainty exists that may cast significant doubt on the ability of the company to continue as a going concern.

Our conclusion is not modified in respect of this matter.

#### **7. Emphasis of Matter**

We draw attention to Note 5 to the accompanying statement 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 ₹ 1719.09 crores as on 31



December 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 statement with respect to such delay/default.

Our conclusion is not modified in respect of this matter.

#### 8. Other Matter

(i) Advance recoverable from Staff amounting to ₹ 2.12 crore (including ₹ 1.13 crore pertaining to Key Managerial Personnel) has been written off during the Quarter after taking approvals from the Board as well as Audit Committee.

(ii) As mentioned in the order of the DRAT, a special audit has been ordered by bankers to audit the exchange sales transactions without payment of cash/ transfer of money, and to submit weekly details of Exchange Sales to Agency for Specialized Monitoring (ASM) appointed by lenders for his verification. As per the information furnished to us, including the reports of ASM, the Company has recorded exchange sales of ₹ 1741.50 crore approx. out of total sales of ₹ 2186.22 crore for the period from 1 April 2022 to 31 December 2022.

Our conclusion is not modified in respect of these matters.

#### For Arun K Agarwal & Associates

Chartered Accountants

(Firm's Registration No. 003917N)

**Arun Kumar Agarwal**

(Partner)

M. No. 082899

UDIN: 23082899BGXXGA2233



Place: New Delhi

Date: 14.02.2023

**PC JEWELLER LIMITED**

Regd. Office: C-54, Preet Vihar, Vikas Marg, Delhi - 110092  
 CIN: L36911DL2005PLC134929, Phone: 011-49714971, Fax: 011-49714972  
 Website: www.pcjeweller.com, email: investors@pcjeweller.com

**PART I**

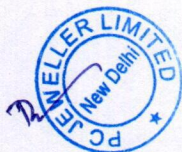
**Statement of standalone unaudited financial results for the quarter and nine months ended 31 December 2022**

(₹ in crore)

S. no.	Particulars	3 months ended 31 December 2022	Preceding 3 months ended 30 September 2022	Corresponding 3 months ended 31 December 2021	9 months ended 31 December 2022	Corresponding 9 months ended 31 December 2021	Previous year ended 31 March 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	829.06	836.01	600.18	2,186.22	1,405.06	1,574.05
II	Other income	28.29	58.55	3.90	156.19	21.74	59.51
III	<b>Total income (I+II)</b>	<b>857.35</b>	<b>894.56</b>	<b>604.08</b>	<b>2,342.41</b>	<b>1,426.80</b>	<b>1,633.56</b>
IV	<b>Expenses</b>						
a)	Cost of materials consumed	755.53	739.01	445.45	1,956.07	943.28	1,046.38
b)	Purchases of stock-in-trade	13.96	51.38	29.93	94.39	30.71	41.12
c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(13.30)	(127.64)	61.09	(217.07)	259.66	290.65
d)	Employee benefits expenses	14.19	14.49	13.25	40.80	31.95	45.47
e)	Finance costs	125.00	121.88	122.59	368.44	322.88	437.37
f)	Depreciation and amortization expenses	6.70	6.52	6.21	19.42	19.80	26.24
g)	Other expenses	25.53	23.32	19.61	67.44	47.87	254.48
	<b>Total expenses (IV)</b>	<b>927.61</b>	<b>828.96</b>	<b>698.13</b>	<b>2,329.49</b>	<b>1,656.15</b>	<b>2,141.71</b>
V	<b>Profit/(loss) before tax (III-IV)</b>	<b>(70.26)</b>	<b>65.60</b>	<b>(94.05)</b>	<b>12.92</b>	<b>(229.35)</b>	<b>(508.15)</b>
VI	<b>Tax expense</b>						
a)	Current tax	(5.76)	(8.15)	(18.93)	(56.28)	(18.93)	(18.93)
b)	Deferred tax	(0.33)	0.73	0.94	0.36	0.17	(99.62)
VII	<b>Profit/(loss) for the period (V - VI)</b>	<b>(64.17)</b>	<b>73.02</b>	<b>(76.06)</b>	<b>68.84</b>	<b>(210.59)</b>	<b>(389.60)</b>
VIII	<b>Other comprehensive income</b>						
(A)(i)	Items that will not be reclassified to profit/(loss)	-	-	-	-	-	0.49
(ii)	Income-tax relating to items that will not be reclassified to profit/(loss)	-	-	-	-	-	(0.12)
(B)(i)	Items that will be reclassified to profit/(loss)	-	-	-	-	-	-
(ii)	Income tax relating to items that will be reclassified to profit/(loss)	-	-	-	-	-	-
IX	<b>Total comprehensive income for the period (comprising profit/(loss) and other comprehensive income for the period) (VII+VIII)</b>	<b>(64.17)</b>	<b>73.02</b>	<b>(76.06)</b>	<b>68.84</b>	<b>(210.59)</b>	<b>(389.23)</b>
X	<b>Paid-up equity share capital (face value ₹ 10/- per share)</b>	<b>465.40</b>	<b>465.40</b>	<b>465.40</b>	<b>465.40</b>	<b>465.40</b>	<b>465.40</b>
XI	<b>Other equity</b>						<b>3,418.39</b>
XII	<b>Earnings per share : (of ₹ 10/- each)</b>	(not annualized)	(not annualized)	(not annualized)	(not annualized)	(not annualized)	(annualized)
a)	Basic (₹)	(1.38)	1.57	(1.63)	1.48	(4.52)	(8.37)
b)	Diluted (₹)	(1.38)	1.57	(1.63)	1.48	(4.52)	(8.37)

See accompanying notes to the financial results.

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**SIGNED FOR  
IDENTIFICATION  
PURPOSES**

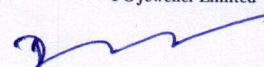
## PC JEWELLER LIMITED

Regd. Office: C-54, Preet Vihar, Vikas Marg, Delhi - 110092  
CIN: L36911DL2005PLC134929, Phone: 011-49714971, Fax: 011-49714972  
Website: www.pcjeweller.com, email: investors@pcjeweller.com

### Notes:

- (1) The standalone financial results of PC Jeweller Limited ('PCJ' or the 'Company') for the quarter and nine months ended 31 December 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 February 2023. The statutory auditors of the Company have expressed a modified review conclusion on these results.
- (2) The above results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), specified under section 133 of the Companies Act, 2013 and in compliance with Regulation 33 of the SEBI (Listing obligations and disclosure requirements) regulations 2015.
- (3) 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 manufacturing facilities are located in India.
- (4) 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 Act, 1999. Subsequently, the Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 330.49 crore. However, for the remaining discounts of ₹ 183.16 crore 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.
- (5) Trade receivables as at 31 December 2022, inter alia, include outstanding from export customers aggregating to ₹ 1719.09 crore (net of discount) 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 as 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.
- (6) The status of the Company's borrowing accounts is non performing with all the banks. Total exposure outstanding as on 31 December 2022 amounting to ₹ 3556.29 crores includes provision for interest upto 31 December 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 December 2022, whereas some of the banks have provided figures without unapplied interest. Therefore provision for unapplied interest for ₹ 351.98 crores as on 31 December 2022 has been made as per best estimate of the management.
- (7) Company's accounts have been classified as NPA with its lenders since June 2021 and its resolution process had been underway. As a part of the laid down process, after the resolution plan submitted by the Company was found to be feasible on both technical & economic parameters the same was forwarded to two rating agencies for necessary ICE exercise. In this regard, one of the rating agency did not accord the required minimum RP4 rating to the Plan and therefore, the resolution plan of the Company could not be taken forward. Though the Company presented an improved Resolution Plan to the Consortium, the Lead Bank (State Bank of India) moved the DRT Delhi on January 18, 2023 against the Company seeking full recovery of its outstanding exposure. In response, the Company has gone into appeal against the same in DRAT. This matter is currently sub-judice. Meanwhile some of the other Consortium member banks have also issued their loan recall notices to the Company which are being replied to. This rejection of resolution plan in relation to Company's borrowing exposure, Order of DRT for initiation of full recovery proceedings on application of lead bank SBI and issuance of recall notices by the lenders, may affect the goodwill and brand image of the Company and these events indicates that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern. Also the Company's debt/equity ratio remains less than one. Its net work of showrooms, its manufacturing facilities and designing, manufacturing capabilities etc continue to remain intact. The Management is confident that it will be able to realize its assets and meets its liabilities and commitments in the normal course of business considering the net assets position of the Company irrespective of the final conclusion of decision in the ongoing legal process. Hence the current position of the events doesnot raise any concern on its going concern status. In view of the above the management is confident that the Company will continue as a going concern and accordingly, the accompanying statement has been prepared considering going concern assumption.
- (8) During the nine months ended 31 December 2022, the Company has accounted income of ₹ 56.28 crores on account of reversal of outstanding provisions of Income Tax of ₹ 42.37 crores and ₹ 5.76 crores for the A.Y. 2020-2021 and A.Y. 2021-2022 respectively, and on account of booking income tax refund of ₹ 8.15 crores for the A.Y. 2020-2021, pursuant to assessment orders received under section 143(3) of the Income Tax Act, 1961. The refund amount has been adjusted against outstanding demand of A.Y. 2018-2019.
- (9) In the absence of export revenues since last few quarters, there has been no separate reporting or reviews by the Chief Operating Decision Maker ('CODM') with respect to the export segment. Accordingly, the export segment has ceased to qualify as operating segment for reporting purposes as per Ind AS 108 'Operating Segments'. The CODM examines the performance from the perspective of the Company as a whole viz. 'Jewellery business' and hence there are no separate reportable segments as per Ind AS 108.
- (10) The figures for the corresponding previous period/ year have been regrouped/rearranged wherever considered necessary to make them comparable.

For and on behalf of the Board of Directors  
PC Jeweller Limited



Balram Garg  
Managing Director  
DIN-00032083

Place: New Delhi  
Date: 14 February 2023



SIGNED FOR  
IDENTIFICATION  
PURPOSES

# ARUN K. AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

105, FIRST FLOOR, SOUTH EX. PLAZA-1

389, MASJID MOTH, SOUTH EXTN. PART-II.

NEW DELHI-110049

PH.: 011-26251200, 011-26257400

Website: [www.akaca.net](http://www.akaca.net), e-mail: arun1960@gmail.com

## **Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

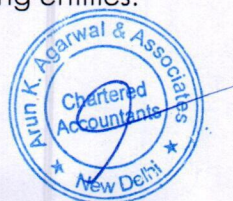
To  
The Board of Directors  
PC Jeweller Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of PC Jeweller Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") for the quarter ended 31 December 2022 and year to date from 1 April 2022 to 31 December 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 ("the Act") as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Parent Company:  
PC Jeweller Limited





Subsidiaries:

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

5. **Basis for Qualified Conclusion**

- (i) As explained in Note 4 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 ₹ 330.49 crore. For the remaining discounts of ₹ 183.16 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, 31 March 2021 and 31 March 2022 and our conclusion for the quarter ended 30 June 2022 and 30 September 2022 were also modified in respect of this matter.
- (ii) With respect to provision for the expected credit loss/impairment relating to overdue overseas Trade Receivables as required under Ind-AS 109, the management reviews and computes the provision for expected credit losses on annual basis.

No realization has been made during the period from 1 April 2022 to 31 December 2022 against overdue trade receivables of Holding Company towards export of goods aggregating to ₹ 1719.09 crores (including unrealized foreign currency exchange gain of ₹ 251.56 crores) as on 31 December 2022 out of which ₹ 1121.45 crores (including unrealized foreign currency exchange gain of ₹ 170.03 crores) is outstanding from more than 3 years. A provision for expected credit losses of ₹ 250.63 crore was made upto 31 March 2022 against such export receivables.

Despite of no realization as per the scheduled expected dates from the export receivables, and in absence of any review and re-computation by the management of Holding Company for expected credit losses during the period under review, we are unable to examine adequacy of the provision for expected credit losses and its consequential impact and adjustments on the accompanying Statement.

- (iii) As explained in Note 7 to the accompanying statement, due to rejection of the resolution plan by the Lenders, the Lead Bank has initiated the recovery proceedings through Debt Recovery Tribunal (DRT) and obtained an order to seize, take control and prepare an inventory of entire stocks of hypothecated assets to the lenders. In response, the Holding Company has moved to the Debts Recovery Appellate Tribunal (DRAT) against the order of the DRT, and the matter is sub-judice.

According to the Order of DRT and DRAT, the appointed agencies along with valuers have started necessary implementation of the Order including inventorization and valuation at various showrooms of Holding Company. Due to this significant event, the



Goodwill and the Brand image of the Holding Company may have an adverse impact which consequently may affect the Net Realisable Value of the Inventory.

Further, there has been significant increase in inventory lying with Third Parties (Karigars/Job-Workers) during the quarter. The management of Holding Company explained that increase in inventory with third parties is as per the decision of Board of Directors in their meeting held on 27 October 2022 to meet the anticipated increase in demand of jewellery. However, the inventory lying with third parties is not adequately insured and has not been physically verified by any independent agency or lenders and such increase during the quarter does not seem to be commensurate with the current business operations. Quantum of Inventory lying with Third Parties is ₹ 2596.32 crore as on 31 December 2022 vis a vis ₹ 1034.29 crore as on 30 September 2022.

Further, no valuation reports by the independent Gemologist/valuer were made available to us for the inventory as shown in accompanying statement.

In view of the above, we are unable to examine and express a conclusion on inventory value and its consequential impact and adjustments on the accompanying Statement.

#### **6. Qualified Conclusion**

Based on our review conducted as above and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 9(iii) below, except for the possible effects of the matter described in the previous para, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### **7. Material Uncertainty related to Going Concern**

Rejection of proposed resolution plan in relation to Holding Company's borrowing exposure, Order of DRT for initiation of full recovery proceedings on application of lead bank (SBI) and issuance of recall notices by the lenders, as explained in Note 7 to the accompanying statement, indicates that a material uncertainty exists that may cast significant doubt on the ability of the Holding Company to continue as a going concern.

Our conclusion is not modified in respect of this matter.

#### **8. Emphasis of Matter**

We draw attention to Note 5 to the accompanying statement 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 ₹ 1719.09 crores as on 31 December 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 statement with respect to such delay/default.

Our conclusion is not modified in respect of this matter.

#### 9. Other Matter

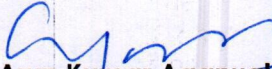
- (i) Advance recoverable from Staff amounting to ₹ 2.12 crore (including ₹ 1.13 crore pertaining to Key Managerial Personnel) has been written off during the Quarter after taking approvals from the Board as well as Audit Committee of the Holding Company.
- (ii) As mentioned in the order of the DRAT, a special audit has been ordered by bankers to audit the exchange sales transactions without payment of cash/ transfer of money, and to submit weekly details of Exchange Sales to Agency for Specialized Monitoring (ASM) appointed by lenders for his verification. As per the information furnished to us, including the reports of ASM, the Holding Company has recorded exchange sales of ₹ 1741.50 crore approx. out of total sales of ₹ 2186.22 crore for the period from 1 April 2022 to 31 December 2022.
- (iii) We did not review the interim financial results of 5 subsidiaries included in the Statement, whose financial information reflects total income of ₹ 54.80 crore and ₹ 190.88 crore (before consolidation adjustments), total net profit after tax of ₹ 1.64 crore and ₹ 23.45 crore (before consolidation adjustments) and total comprehensive income of ₹ 2.81 crore and ₹ 28.93 crore (before consolidation adjustments) for the quarter ended 31 December 2022 and for the period from 1 April 2022 to 31 December 2022 respectively, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of these matters.

#### For Arun K Agarwal & Associates

Chartered Accountants

(Firm's Registration No. 003917N)

  
**Arun Kumar Agarwal**

(Partner)

M. No. 082899

UDIN: 23082899BGXXGB5170



Place: New Delhi

Date: 14.02.2023

For Arun  
Chartered  
Accountants

Arun K  
(Partner)  
M. No. 082899  
UDIN: 23082899BGXXGB5170

**PC JEWELLER LIMITED**

Regd. Office: C-54, Preet Vihar, Vikas Marg, Delhi - 110092  
 CIN: L36911DL2005PLC134929, Phone: 011-49714971, Fax: 011-49714972  
 Website: www.pcjeweller.com, email: investors@pcjeweller.com

**PART I**

**Statement of consolidated unaudited financial results for the quarter and nine months ended 31 December 2022**

(₹ in crore)

S. no.	Particulars	3 months ended 31 December 2022	Preceding 3 months ended 30 September 2022	Corresponding 3 months ended 31 December 2021	9 months ended 31 December 2022	Corresponding 9 months ended 31 December 2021	Previous year ended 31 March 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	854.31	897.58	610.98	2,299.31	1,417.50	1,606.13
II	Other income	28.52	60.55	2.20	165.23	13.95	52.81
III	<b>Total income (I+II)</b>	<b>882.83</b>	<b>958.13</b>	<b>613.18</b>	<b>2,464.54</b>	<b>1,431.45</b>	<b>1,658.94</b>
IV	<b>Expenses</b>						
	a) Cost of materials consumed	740.42	770.51	411.68	1,966.55	871.93	972.03
	b) Purchases of stock-in-trade	54.02	81.11	72.65	196.61	110.88	143.89
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(14.76)	(135.51)	59.07	(232.01)	265.12	296.04
	d) Employee benefits expenses	15.01	15.31	13.81	43.12	33.55	47.62
	e) Finance costs	125.00	121.91	122.59	368.47	322.89	437.38
	f) Depreciation and amortization expenses	7.06	6.87	6.64	20.49	20.89	27.75
	g) Other expenses	23.27	18.75	17.66	56.77	41.65	242.27
	<b>Total expenses (IV)</b>	<b>950.02</b>	<b>878.95</b>	<b>704.10</b>	<b>2,420.00</b>	<b>1,666.91</b>	<b>2,166.98</b>
V	<b>Profit/(loss) before tax (III-IV)</b>	<b>(67.19)</b>	<b>79.18</b>	<b>(90.92)</b>	<b>44.54</b>	<b>(235.46)</b>	<b>(508.04)</b>
VI	<b>Tax expense</b>						
	a) Current tax	(5.76)	(8.15)	(18.93)	(56.28)	(18.93)	(18.93)
	b) Deferred tax	(0.31)	1.41	1.58	1.59	1.49	(98.11)
VII	<b>Profit/(loss) for the period (V - VI)</b>	<b>(61.12)</b>	<b>85.92</b>	<b>(73.57)</b>	<b>99.23</b>	<b>(218.02)</b>	<b>(391.00)</b>
VIII	<b>Other comprehensive income</b>						
	(A)(i) Items that will not be reclassified to profit/(loss)	-	-	-	-	-	0.53
	(ii) Income tax relating to items that will not be reclassified to profit/(loss)	-	-	-	-	-	(0.13)
	(B)(i) Items that will be reclassified to profit/(loss)	1.18	2.87	(1.90)	5.49	1.86	5.75
	(ii) Income tax relating to items that will be reclassified to profit/(loss)	-	-	-	-	-	-
IX	<b>Total comprehensive income for the period (comprising profit/(loss) and other comprehensive income for the period) (VII+VIII)</b>	<b>(59.94)</b>	<b>88.79</b>	<b>(75.47)</b>	<b>104.72</b>	<b>(216.16)</b>	<b>(384.85)</b>
	<b>Net (loss)/profit attributable to:</b>						
	Owners of the Holding Company	(61.12)	85.92	(73.57)	99.23	(218.02)	(391.00)
	Non-controlling interests	-	-	-	-	-	-
	<b>Other comprehensive income attributable to:</b>						
	Owners of the Holding Company	1.18	2.87	(1.90)	5.49	1.86	6.15
	Non-controlling interests	-	-	-	-	-	-
X	<b>Paid-up equity share capital (face value ₹ 10/- per share)</b>	<b>465.40</b>	<b>465.40</b>	<b>465.40</b>	<b>465.40</b>	<b>465.40</b>	<b>465.40</b>
XI	<b>Other equity</b>						<b>3423.33</b>
XII	<b>Earnings per share : (of ₹ 10/- each)</b>						
	(a) Basic (₹)	(not annualized)	(not annualized)	(not annualized)	(not annualized)	(not annualized)	(annualized)
	(b) Diluted (₹)	(1.31)	1.85	(1.58)	2.13	(4.68)	(8.40)
		(1.31)	1.85	(1.58)	2.13	(4.68)	(8.40)

See accompanying notes to the financial results.

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**SIGNED FOR  
IDENTIFICATION  
PURPOSES**

## PC JEWELLER LIMITED

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### Notes:

- (1) The consolidated financial results of the Group, (comprising of PC Jeweller Limited, the Holding Company and its subsidiaries) for the quarter and nine months ended 31 December 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 February 2023. The statutory auditors of the Holding Company have expressed a modified review conclusion on these results.
- (2) The above results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), specified under section 133 of the Companies Act, 2013 and in compliance with Regulation 33 of the SEBI (Listing obligations and disclosure requirements) regulations, 2015.
- (3) 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
- (4) During the financial year ended 31 March 2019, the Holding 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 Holding Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 330.49 crore. However, for the remaining discounts of ₹ 183.16 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.
- (5) Trade receivables as at 31 December 2022, inter alia, include outstanding from export customers of the Holding Company aggregating to ₹ 1719.09 crore (net of discount) and without considering provision for expected credit loss which have been outstanding for more than 9 months. The Holding Company has 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.
- (6) Status of the Holding Company's borrowing accounts is non performing with all banks. Total exposure outstanding as on 31 December 2022 amounting to ₹ 3556.29 crores includes provision for interest upto 31 December 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 December 2022, whereas some of the banks have provided figures without unapplied interest. Therefore provision for unapplied interest for ₹ 351.98 crores as on 31 December 2022 has been made as per best estimate of the management.
- (7) Holding Company's accounts have been classified as NPA with its lenders since June 2021 and its resolution process had been underway. As a part of the laid down process, after the resolution plan submitted by the Holding Company was found to be feasible on both technical & economic parameters the same was forwarded to two rating agencies for necessary ICE exercise. In this regard, one of the rating agency did not accord the required minimum RP4 rating to the Plan and therefore, the resolution plan of the Holding Company could not be taken forward. Though the Holding Company presented an improved Resolution Plan to the Consortium, the Lead Bank (State Bank of India) moved the DRT Delhi on January 18, 2023 against the Holding Company seeking full recovery of its outstanding exposure. In response, the Holding Company has gone into appeal against the same in DRAT. This matter is currently sub-judice. Meanwhile some of the other Consortium member banks have also issued their loan recall notices to the Holding Company which are being replied to.  
This rejection of resolution plan in relation to Holding Company's borrowing exposure, Order of DRT for initiation of full recovery proceedings on application of lead bank SBI and issuance of recall notices by the lenders, may affect the goodwill and brand image of the Holding Company and these events indicates that a material uncertainty exists that may cast significant doubt on the ability of the Holding Company to continue as a going concern. Also the Holding Company's debt/equity ratio remains less than one. Its net work of showrooms, its manufacturing facilities and designing, manufacturing capabilities etc continue to remain intact. The Management is confident that it will be able to realize its assets and meets its liabilities and commitments in the normal course of business considering the net assets position of the Holding Company irrespective of the final conclusion of decision in the ongoing legal process. Hence the current position of the events doesnot raise any concern on its going concern status. In view of the above the management is confident that the Holding Company will continue as a going concern and accordingly, the accompanying statement has been prepared considering going concern assumption.
- (8) During the nine months ended 31 December 2022, the Holding Company has accounted income of ₹ 56.28 crores on account of reversal of outstanding provisions of Income Tax of ₹ 42.37 crores and ₹ 5.76 crores for the A.Y. 2020-2021 and A.Y. 2021-2022 respectively, and on account of booking income tax refund of ₹ 8.15 crores for the A.Y. 2020-2021, pursuant to assessment orders received under section 143(3) of the Income Tax Act, 1961. The refund amount has been adjusted against outstanding demand of A.Y. 2018-2019.
- (9) In the absence of export revenues since last few quarters, there has been no separate reporting or reviews by the Chief Operating Decision Maker ('CODM') with respect to the export segment. Accordingly, the export segment has ceased to qualify as operating segment for reporting purposes as per Ind AS 108 'Operating Segments'. The CODM of the Group examines the performance from the perspective of the Group as a whole viz. 'Jewellery business' and hence there are no separate reportable segments as per Ind AS 108.
- (10) The figures for the corresponding previous period/ year have been regrouped/rearranged wherever considered necessary to make them comparable.

Place: New Delhi  
Date: 14 February 2023

For and on behalf of the Board of Directors  
PC Jeweller Limited



Balram Garg  
Managing Director  
DIN-00032083



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PURPOSES