



Date: 16/07/2020

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

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

**Sub.: Notice of the 15<sup>th</sup> Annual General Meeting**

**Ref.: PC Jeweller Limited (Scrip Code: 534809, Symbol: PCJEWELLER)**


Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith Notice of the 15<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Friday, August 7, 2020 at 1:00 P.M. (IST) through Video Conferencing / Other Audio Visual Means.

Kindly take the information on record.

Thanking you.

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



**PC Jeweller**

**ANNUAL REPORT 2019-20**



**PC JEWELLER LIMITED**



# CONTENTS

## Corporate Overview

Consolidation. Resilience. Sustenance.	01
Corporate Actions During FY20	02
Message from Managing Director	04
Corporate Information	05

## Statutory Reports

Directors' Report	06
Business Responsibility Report	39
Report on Corporate Governance	44
Management Discussion & Analysis	59

## Financial Statements

### Standalone Financial Statements

Auditor's Report	62
Balance Sheet	72
Statement of Profit and Loss	74
Statement of Changes in Equity	75
Cash Flow Statement	76
Notes forming part of the Financial Statements	78

### Consolidated Financial Statements

Auditor's Report	121
Balance Sheet	130
Statement of Profit and Loss	132
Statement of Changes in Equity	133
Cash Flow Statement	134
Notes forming part of the Financial Statements	136

<b>Statement containing salient features of the financial statement of Subsidiaries</b>	182
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<b>Notice of 15<sup>th</sup> Annual General Meeting</b>	183
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## Forward Looking Statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# Consolidation. Resilience. Sustenance.

**Financial Year 2019-20 (FY20) has been truly a challenging year for our economy, our industry, our business and the mankind as such whose resilience was put to test by COVID-19 pandemic. Our mantra to wade through these testing times was to consolidate, remain resilient and sustain for a brighter tomorrow ahead.**

During major part of FY20, we witnessed lowest economic growth in a decade; low consumer sentiment in India; sudden & steep surge in gold price; regulatory reforms in jewellery industry; and weak demand in export markets. These were then topped up by possibly the biggest medical threat to mankind across the globe – COVID-19 pandemic.

Our choice was clear – sustain with our best, since our commitment is resolute and our foundation is really strong. We took measures that were strong on the back of a strategy to sustain for a brighter future ahead. We have captured a glimpse of our actions and strong foundation in pages ahead. We believe that in our journey of one-and-half decade, the present times have given us the opportunity to test our mettle and shine like our metal, in times to come.

# Corporate Actions During FY20



## Cost Rationalization

At a time when sales were dropping for multiple reasons, we made strategic decision to rationalize our costs. We closed down non-performing stores. There was compensation cut taken up by the Promotor and some of the Senior Management personnel.



## Infusing Liquidity by Promotor

An infusion of Rs.215 crore, in a truly testing time, by Promotor only testifies that our commitment is resolute and foundation is strong. The same is in the form of unsecured interest-free loan and likely to get converted into equity / equity like instruments later on, subject to receipt of necessary approvals and compliance with applicable laws.



## Improving Profitability

At a time when sales were down by 60% for 4th Quarter (Y-o-Y) and about 40% for full year, we improved our profitability to Rs.123.54 crore for FY20 compared to Rs.2.76 crore for FY19 .



## Strategic Scale-down of Exports

We continued on our strategy to scale down our export business. During FY20, we brought down our export business by 50% compared to FY19.



## Expanding Strategically

In early FY20, despite having a cost reduction regime, the Company opened one new showroom at Sirsa (Haryana). Though the Company is now preferring consolidation over expansion but it intends to respond to market improvement, as and when it happens.



## Safeguarding Financial Interests

During FY20, we realized USD 11.25 crore (Approx. Rs.758 crore) from old export debtors. The figure could have been even better had the overseas markets were not shut due to COVID-19 pandemic.





### Roll-out of New Brand Identity

The new Brand Identity that was unveiled in FY19, was formally and fully rolled-out nationally during second quarter FY20. The new Brand Identity is positioned as contemporary and close to customers.



### Greater Integration of Technology in Business

We have been utilizing technology for better customer reach, better experience and supplementing offline sales with online availability of products. The impact of COVID-19 pandemic has only heightened the need and benefits of technology in business. We wish to give our customers a store-like experience and endeavour to sell & deliver aggressively through online medium.

## Our Strong Foundation



azva™

MIROSA



Inayat

इवार्न दीहारोहार

Lal Qila  
A Nations Culture, Carved in Gold!

### Strong Sub-Brands & Timeless Collections:



**A 15-year strong lineage**

# Message From Managing Director

## Dear Shareholders,

Indian economy registered its lowest GDP growth of last one decade during the FY 2019-20. At the same time, gold prices also registered their sharpest increase within the shortest period of two months (July & August 2019). These two factors resulted in very muted consumer demand and the sales even during the festive season remained subdued and lower than the previous year. The export markets also continued to stay depressed and faced adverse consumer sentiments. And to top it all the spreading scare of pandemic COVID-19 started impacting consumer footfalls right from the first week of March and there was a complete shutdown of operations from 22nd March 2020 onwards. As a result, the reported financial year saw the Company experiencing de-growth in its domestic turnover for the first time. The Company has also slashed its export turnover by more than 50% on account of the weak consumer sentiments in its overseas markets.

Given the overall slowdown in the economy and declining consumer spending, the Company has eschewed expansion and opened only one new showroom at Sirsa (Haryana). It is instead concentrating on consolidating its network by shutting down non-performing showrooms, rationalizing its systems and procedures, and conserving capital by reducing working capital limits. To achieve the cost rationalization goals, I have volunteered to forgo my entire salary for the major part of the year and some of our senior management personnel, including Shri Ramesh Kumar Sharma, Executive Director & COO, also have foregone roughly 40% of their monthly salaries during the year. I have also infused Rs.215 crores in the Company in the form of unsecured, non-interest-bearing loan to improve its liquidity. Though currently these funds are in the form of loans but will be later converted into equity or equity-like instruments, subject to receipt of necessary approvals and compliance with applicable laws. Our commitment and steadfast pursuit of better operational profitability and improved financial health have helped the Company turn profitable once again.



Unfortunately, the dark clouds continue to hover above us. The new financial year, 2020-21, has started with the deleterious impact of the COVID-19 pandemic, which has spread all over the world. The Company is, however, ready to work with the new normal and will continue to perform to the best of its ability in the constrained circumstances. The Company will continue to concentrate on its domestic business by sustaining the tactical work on its products range and launching new designs and collections as well as high margin jewellery items. Our focus will be to ensure sales growth, further streamline the cost, improve the Company's financial performance, and to extract additional efficiencies from its existing assets. These measures will help us in increasing the value for the stakeholders in the long run and be operationally and financially ready to invest in growth when the external environment recovers.

Yours sincerely,

Sd/-

**Balram Garg**  
Managing Director



# Corporate Information

## BOARD OF DIRECTORS

Shri Balram Garg	Managing Director
Shri Ramesh Kumar Sharma	Executive Director & Chief Operating Officer
Mrs. 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

Walker Chandiook & Co. LLP, Chartered Accountants  
Firm Registration No.: 001076N/N500013

## 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 Private Limited  
Selenium Tower B, Plot No. 31 - 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal, Hyderabad - 500032 (Telangana)  
Tel: 040 - 67162222 | Fax: 040 - 23001153  
E-mail: einward.ris@kfintech.com

## WEBSITE

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

## CORPORATE IDENTITY NUMBER

L36911DL2005PLC134929

## ISIN (EQUITY SHARE)

INE785M01013

## BSE SCRIP CODE

534809

## NSE SYMBOL

PCJEWELLER



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 15<sup>th</sup> Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2020.

### FINANCIAL HIGHLIGHTS (STANDALONE)

The highlights of standalone financial statements of the Company for the financial year ended March 31, 2020 along with previous year figures are as under:

(Rs. in Crores, except earnings per share)

Particulars	2019-20	2018-19
Revenue from operations	4,938.59	8,368.85
Other income	77.45	92.32
<b>Total income</b>	<b>5,016.04</b>	<b>8,461.17</b>
Profit before finance costs, depreciation and tax	527.08	359.90
Less: Finance cost	368.88	340.39
Less: Depreciation & amortisation expenses	34.66	16.75
<b>Profit before tax</b>	<b>123.54</b>	<b>2.76</b>
Less: Tax Expense	45.04	5.57
<b>Net profit / (loss) after tax</b>	<b>78.50</b>	<b>(2.81)</b>
Other comprehensive income for the year, net of tax	0.85	0.33
<b>Total comprehensive income / (loss) for the year</b>	<b>79.35</b>	<b>(2.48)</b>
<b>Earnings per share (in Rs.):</b>		
Basic	1.99	(0.07)
Diluted	1.98	(0.07)

### COMPANY'S PERFORMANCE

During the year under review, revenue from operations of your Company decreased to Rs.4,938.59 crores from Rs.8,368.85 crores during previous year. However, profit before tax increased from Rs.2.76 crore to Rs.123.54 crores. Further, your Company once again turned profitable with net profit after tax of Rs.78.50 crore as compared to net loss of Rs.2.81 crore incurred during previous year. The share of domestic sales and export sales in the revenue from operations of the Company is Rs.4,280.62 crores (87%) and Rs.657.97 crores (13%) respectively.

### BUSINESS OVERVIEW

Your Company is engaged in the business of manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items and operates in different geographical areas i.e. domestic sales and export sales. The Company's export business of gold jewellery is on a B2B basis through its dealers based in

Gulf via some Dubai based firms. It offers wide range of jewellery including 100% hallmarked gold jewellery, certified diamond jewellery and silver articles, with a focus on diamond jewellery and jewellery for weddings.

As there is an overall slowdown in the economy and a decline in the consumer spending, hence, in the present time rather than expansion, the Company is concentrating on consolidating, rationalizing its systems and procedures, working to improve the performance of its existing showrooms and conserving the capital. The Company has adequate infrastructure as well as capability to start expansion once the ground level situation normalises. As on March 31, 2020 your Company has 83 showrooms including 11 franchisee showrooms and 4 manufacturing units.

Your Company is having in-house designers, who helps the Company in launching new designs and collections of jewellery from time to time. The Company owns jewellery sub-brands Azva, Swarn Dharohar, LoveGold, Inayat and Mirosa and has launched many new jewellery designs under its sub-brands and Lal Quila collection. Also, during the year, your Company for the first time in India launched silver and gold medallions to commemorate ICC Cricket World Cup 2019.

### IMPACT OF COVID-19 PANDEMIC

During the last month of the year under review, COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns. Due to the spread of COVID-19 and in accordance with the various initiatives and directions of both Central and State Government(s) from time to time including Janata curfew and subsequent nationwide lock down, the operations of the Company were suspended from March 22, 2020. However, even before that date impact started to show on the business of the Company with falling footfalls at the showrooms and reduced workforce. After the end of second lockdown on May 3, 2020, the Company gradually started its business operations with minimum workforce combined with work from home policy.

The Company is closely monitoring the situation arising out of COVID-19 and resultant restrictions imposed by the regulatory authorities. At this point of time it is not possible either to foresee the duration for which this pandemic will last, nor predict its course. Hence, the Company is not in a position to assess with certainty the future impact on operations but does not expects normalcy to be achieved before the third quarter of financial year 2020-21.



### CHANGE IN SHARE CAPITAL

The authorised share capital of the Company remained unchanged at Rs.700 crores comprising of 44 crore equity shares of Rs.10/- each and 26 crore preference shares of Rs.10/- each. However, consequent to allotment of 3,54,895 equity shares upon exercise of stock options under PC Jeweller Limited Employee Stock Option Plan 2011, the paid-up share capital of the Company increased to Rs.395,00,28,820/- comprising of 39,50,02,882 equity shares of Rs.10/- each.

### DIVIDEND

The Directors have not recommended any dividend for the year.

### TRANSFER TO GENERAL RESERVE

The Directors have not proposed transfer of any amount to General Reserve.

### 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.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company comprises of 7 Directors (2 Executive and 5 Non-Executive Directors including 1 Woman Director).

During the year Dr. Manohar Lal Singla, Shri Krishan Kumar Khurana and Shri Miyar Ramanath Nayak were re-appointed as Independent Directors for a further term of 5 years with effect from September 13, 2019.

Shri Ramesh Kumar Sharma, Executive Director, is liable to retire by rotation at the 15<sup>th</sup> Annual General Meeting (“AGM”) of the Company and being eligible, he offers himself for re-appointment. 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, his details forms part of the Notice convening the 15<sup>th</sup> AGM.

No changes among Key Managerial Personnel took place during the year. Shri Balram Garg, Managing Director, Shri Sanjeev Bhatia, Chief Financial Officer and Shri Vijay Panwar, Company Secretary continue to be the Key Managerial Personnel of the Company.

### SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2020 your Company has following wholly owned non-material subsidiary and step down subsidiary companies:

- 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.).

- ii) **Transforming Retail Private Limited:** It is engaged in the business of online trading of gold and diamond jewellery.
- iii) **Luxury Products Trendsetter Private Limited:** It is engaged in the business of manufacturing, buying, selling etc. of jewellery and have a manufacturing unit at Sitapura, Jaipur (Rajasthan).
- iv) **PCJ Gems & Jewellery Limited:** It was incorporated as wholly owned subsidiary of the Company on April 1, 2019 and is authorized to carry on the business of manufacturing, trading, import, export of all kinds of jewellery. However, it is yet to commence operations.
- v) **PC Jeweller Global DMCC:** It was incorporated in Dubai (UAE) and is engaged in the business of jewellery trading.
- vi) **Comercializadora Internacional PC Jeweller Internacional S.A.S.:** It is the wholly owned subsidiary of PC Jeweller Global DMCC and based in Columbia. It is yet to commence operations.

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) forms part of the Annual Report. The contribution of the subsidiaries to the overall performance of your Company is outlined in Note No. 53 of the consolidated financial statements for the financial year ended March 31, 2020. The financial statements of all the subsidiaries are available on the Company’s website [www.pcjeweller.com](http://www.pcjeweller.com). Your Company does not have any associate or joint venture company within the meaning of Section 2(6) of the Act.

### CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of the Company have been prepared in accordance with the accounting principles applicable in India including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder and form part of the Annual Report.

### COST RECORDS

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

### STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS

The Company has received declarations of independence in accordance with the provisions of the Act as well as the LODR

Regulations from all the Independent Directors.

### **BOARD MEETINGS**

During the year 5 Board meetings were held on May 11, 2019; May 30, 2019; August 9, 2019; November 14, 2019 and February 13, 2020.

### **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.

### **RISK MANAGEMENT**

Pursuant to Regulation 21 of LODR Regulations, your Company has a Risk Management Committee, the details of which are given in 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 along with other items for stock, cash etc. at stipulated intervals by (1) Statutory Auditors; (2) Stock Auditors appointed by the Bank; and (3) 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 Auditors also periodically carried out review of the internal control systems and procedures. Their reports are also placed before Audit Committee for its review.

Your 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. Such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed during the year.

### **PUBLIC DEPOSITS**

Your Company was accepting unsecured deposits from the public under jewellery purchase scheme 'Jewel for Less'. However, after credit rating for the Company's deposit programme was downgraded below minimum investment grade during the year, the Company stopped accepting fresh deposits from the public. The requisite details relating to deposits, covered under Chapter V of the Act are as under:

- a) Accepted during the year : Rs.30 crore

- b) Remained unpaid or unclaimed as at the end of the year:
  - i) Deposits that have matured but not claimed : Rs.24.97 crore
  - ii) Deposits that have matured and claimed but not paid : Nil
- 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

The Company has not accepted any deposits which are not in compliance with the requirements of Chapter V of the Act.

### **STATUS OF UNCLAIMED SHARE APPLICATION MONEY AND DIVIDEND AMOUNTS**

The unclaimed share application money due for refund in relation to Initial Public Offer has been transferred to Investor Education and Protection Fund ("IEPF") during the year. Concerned Investors are advised to visit the weblink <http://iepf.gov.in/IEPF/refund.html> or contact the Company's Registrar and Transfer Agent KFin Technologies Private Limited for lodging claim for unclaimed share application money from IEPF Authority.

The total of unclaimed dividend amounts for the previous years as on March 31, 2020 is Rs.12.12 lakh. Dividend amounts remaining unclaimed / unpaid for a period of 7 years from the date of transfer to unpaid dividend account will be transferred to IEPF. The shares on which dividend remains unclaimed for 7 consecutive years shall be transferred to the demat account of IEPF Authority as per Section 124 of the Act read with IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The details of loans given and investments made by your Company have been 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 during the year under review were on arm's length basis and your 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 have been disclosed in the notes forming part of the financial statements.



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

In its endeavour towards conservation of energy your Company ensures optimal use of energy, avoid wastages and endeavors to conserve energy as far as possible.

#### **B) TECHNOLOGY ABSORPTION**

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

#### **C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, your Company's foreign exchange earnings were Rs.657.98 crores and foreign exchange outgo was Rs.747.85 crores.

### **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, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2020.

### **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, leak of unpublished price sensitive information etc. and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. The policy is available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com).

### **BOARD EVALUATION**

Your Company has in place the Board approved criteria for evaluation of performance of the Board, its Committees and Directors. The annual performance evaluation of the Board, its Committees and Directors was carried out on the basis of evaluation forms, which include a rating mechanism. Independent Directors also reviewed the performance of the Board as a whole and Non-Independent Directors.

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 the respective Committee members. Further, performance of individual Directors was evaluated by Nomination & Remuneration Committee as well as the Board on the basis of evaluation forms received from all the Directors except the Director being evaluated. The criteria for performance evaluation of the Board and its Committees amongst others include their structure and composition, processes, information and functioning, terms of reference of the Committees, etc. The criteria for performance evaluation of the Directors including Executive and Independent Directors amongst others include their attendance and 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 evaluation forms received, the consolidated report relating to the performance of the Board, its Committees and individual Directors was placed before the Board and the Board expressed satisfaction over their performances.

### **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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors 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.

#### **EMPLOYEES STOCK OPTION PLAN**

Your Company has in place an employee stock option plan namely PC Jeweller Limited Employee Stock Option Plan 2011 (“**ESOP 2011**”). ESOP 2011 is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. During the year under review, no changes were made in ESOP 2011. Pursuant to the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 a statement with respect to ESOP 2011 has been uploaded on the Company’s website [www.pcjeweller.com](http://www.pcjeweller.com) in the Investor section. The certificate from Statutory Auditors with respect to the implementation of ESOP 2011 would be available for inspection by Members during the AGM.

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

Your Company has always considered human resources as its invaluable assets. 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 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. Nomination & Remuneration Policy as well as Criteria for determining Qualifications, Positive Attributes and Independence of a Director are placed on the Company’s website [www.pcjeweller.com](http://www.pcjeweller.com) in the Investor section.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **BUSINESS RESPONSIBILITY REPORT**

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

#### **AUDITORS AND THEIR REPORTS**

##### **STATUTORY AUDITORS**

At the 10<sup>th</sup> AGM of the Company held on September 19, 2015, M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) (“**WCC**”) were appointed as Statutory Auditors for second term of 5 consecutive years, from the conclusion of the said AGM till the conclusion of the 15<sup>th</sup> AGM. Hence, on expiry of their second term at the conclusion of the 15<sup>th</sup> AGM, WCC would mandatorily retire as Statutory Auditors of the Company.

The Board, on the recommendation of Audit Committee, recommended for the approval of Members, the appointment of M/s Arun K. Agarwal & Associates, Chartered Accountants (Firm Registration No.003917N) (“**AKA**”), as the Statutory Auditors of the Company for 5 consecutive years from the conclusion of the 15<sup>th</sup> AGM till the conclusion of the 20<sup>th</sup> AGM. Appropriate resolution seeking your approval to the appointment and remuneration of AKA as the Statutory Auditors is appearing in the Notice convening the 15<sup>th</sup> AGM of the Company.

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 qualifications / reservations / comments in Statutory Auditors’ Report are as under:

- i) Para 3 of Independent Auditors’ Report regarding discount to export customers during the previous 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 the approvals from the Authorized Dealer Banks for reduction in receivables corresponding to discounts amounting to



Rs.89.69 crore and approval for the balance amount is under process. The discount extended is 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.

- ii) Para (v) of Annexure - A to Independent Auditors' Report regarding balance in deposit repayment reserve account is short by Rs.4.85 crore as at March 31, 2020:

The Company was having Rs.2.43 crore in deposit repayment reserve account and had set aside adequate fixed deposits for the balance amount.

- iii) Para (vii)(a) of Annexure - A to Independent Auditors' Report regarding arrears of statutory dues outstanding for more than six months:

The Company will do the needful to make the payment in due course, regarding the statutory dues pertaining to financial year 2017-18.

In view of the Company which is also corroborated by independent experts the amount of statutory dues pertaining to financial year 2018-19 is not payable by the Company. However, keeping in view the good accounting practices, the Company has made adequate provision for the same in its financials for the year ending March 31, 2020.

#### 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 Shri Randhir Singh Sharma, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the year under review. Secretarial Audit Report is annexed herewith as "**Annexure - 1**" to this Report. The explanations or comments of the Board on the qualifications / reservations / comments in Secretarial Audit Report are as under:

- i) 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.

- ii) Regarding the balance in deposit repayment reserve account was short by Rs.4.85 crore as at March 31, 2020:

The Company was having Rs.2.43 crore in deposit repayment

reserve account and had set aside adequate fixed deposits for the balance amount.

#### REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under LODR Regulations forms part of the Annual Report. The certificate from Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is annexed as "**Annexure - 2**" 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 - 3**" to this Report.

#### CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Policy is placed on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com). As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR activities is annexed as "**Annexure - 4**" to this Report.

#### DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy formulated in terms of Regulation 43A of LODR Regulations, is placed on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) and is annexed as "**Annexure - 5**" to this Report.

#### EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT-9 is annexed as "**Annexure - 6**" to this Report. The Annual Return in Form MGT-7 for the year 2018-19 is available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) in the Investor section and for the year 2019-20 will be made available as soon as the same is filed with Registrar of Companies.

#### ACKNOWLEDGEMENT

Your Directors would like to express their sincere thanks for the co-operation and valuable support received from the Government, statutory authorities and the bankers. The Board also convey its gratitude and place on record its appreciation for the support and co-operation of the Company's employees, customers, suppliers and shareholders, who have reposed their continued trust and confidence in the Company.

For and on behalf of the Board

Date: June 29, 2020

Place: New Delhi

Sd/-

(RAMESH KUMAR SHARMA)

**Executive Director & COO**

DIN: 01980542

Sd/-

(BALRAM GARG)

**Managing Director**

DIN: 00032083

**SECRETARIAL AUDIT REPORT**for the financial year ended 31<sup>st</sup> March, 2020**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

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's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 and made available to us, according to the provisions, as applicable to the Company during the period, of:

- (I) The Companies Act, 2013 ('the **Act**') and the rules made there under;
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the 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 and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External

Commercial Borrowings;

- (V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
  4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  5. 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 as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review];**
  6. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **[Not Applicable as the Company has neither issued nor listed any debt securities during the financial year under review];**
  7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **[Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the financial year under review];**
  8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **[Not applicable as the Company has not bought back / proposed to buyback securities during the financial year under review];**
  9. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



(VI) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on the sector / industry, are:

1. Bureau of Indian Standards Act, 2016 and applicable Rules & Regulations
2. The Legal Metrology Act, 2009 and applicable Rules & Regulations

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 that:

1. 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.
2. As at 31<sup>st</sup> March, 2020 the balance in deposit repayment reserve account, as required under section 73(2)(c) of the Act, was short by Rs.4.85 crore.

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 Meeting, agenda and detailed notes on agenda were generally sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman / Chairman of the meeting, the decisions of the Board and Committees meetings were unanimous and no dissenting views have been recorded.

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.

We further report that during the audit period:

1. The Company passed a Board Resolution on 11<sup>th</sup> May, 2019 for demerger of its export division and subsequent amalgamation of the same into its newly incorporated wholly owned Subsidiary, PCJ Gems & Jewellery Limited through Scheme of Arrangement under the provisions of Sections 230-232 of the Act. However, the Board of the Company at its meeting held on 9<sup>th</sup> August, 2019 has decided not to pursue the Scheme of Arrangement.
2. The Company allotted 3,54,895 equity shares to the eligible employees of the Company and its subsidiary under PC Jeweller Limited Employee Stock Option Plan 2011.
3. Pursuant to SEBI settlement order dated November 5, 2019 regarding non-disclosure of the Bank's objection to the proposed buy-back offer, the Company has paid a settlement amount of Rs.19,12,500/- towards settlement of charges.

For **R S Sharma & Associates**  
Company Secretaries

Place: New Delhi  
Date: June 29, 2020

Sd/-  
(RANDHIR SINGH SHARMA)  
**Proprietor**  
Membership No.: FCS2062  
C.P. No.: 3872  
UDIN: F002062B000426684

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



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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about 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 secretarial records and procedures on random 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 R S Sharma & Associates**  
Company Secretaries

Sd/-  
(RANDHIR SINGH SHARMA)  
**Proprietor**  
Membership No.: FCS2062  
C.P. No.: 3872  
UDIN: F002062B000426684

Place: New Delhi  
Date: June 29, 2020



## 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, 2020 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") read with Schedule V of 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 LODR Regulations during the year ended 31<sup>st</sup> March, 2020.

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 **R S Sharma & Associates**  
Company Secretaries

Place: New Delhi  
Date: June 29, 2020

Sd/-  
(RANDHIR SINGH SHARMA)  
**Proprietor**  
Membership No.: FCS2062  
C.P. No.: 3872  
UDIN: F002062B000426629

## 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 2019-20:**

Median remuneration of employees for the financial year 2019-20: Rs.2.50 lakhs

Name of Director	Ratio
<b>Non-Executive Director</b>	
Dr. Manohar Lal Singla	1.12
Shri Krishan Kumar Khurana	1.32
Shri Miyar Ramanath Nayak	1.00
Shri Suresh Kumar Jain	0.52
Smt. Sannovanda Machaiah Swathi	0.64
<b>Executive Director</b>	
Shri Balram Garg	96.00
Shri Ramesh Kumar Sharma	32.74

**(ii) The percentage increase / decrease in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20:**

Name	(Rs. in Lakhs)		
	2018-19	2019-20	Percentage increase / (decrease) in remuneration
<b>Non-Executive Director</b>			
Dr. Manohar Lal Singla	3.70	2.80	(24.32)
Shri Krishan Kumar Khurana	4.10	3.30	(19.51)
Shri Miyar Ramanath Nayak	2.40	2.50	4.17
Shri Suresh Kumar Jain	2.40	1.30	(45.83)
Smt. Sannovanda Machaiah Swathi	2.00	1.60	(20.00)
<b>Executive Director</b>			
Shri Balram Garg*	155.00	240.00	54.84
Shri Ramesh Kumar Sharma®	147.52	81.84	(44.52)
<b>Chief Financial Officer</b>			
Shri Sanjeev Bhatia®	147.52	81.84	(44.52)
<b>Company Secretary</b>			
Shri Vijay Panwar	66.46	47.17	(29.02)

\* Voluntarily foregone remuneration w.e.f. August 1, 2019 till further communication.

@ Voluntarily reduced remuneration to Rs.3.25 lakhs per month w.e.f. November 1, 2019 till further communication.

**(iii) The percentage increase in the median remuneration of employees in the financial year 2019-20: 5.04%**

**(iv) The number of permanent employees on the rolls of company as on March 31, 2020: 1,749**

**(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:**



Particulars	(Rs. in Lakhs)		
	2018-19	2019-20	% increase / (Decrease)
Average salaries of all employees other than Key Managerial Personnel	2.86	2.92	2.10
Key Managerial Personnel			
- Salary of Managing Director	155.00	240.00	54.84
- Salary of Chief Financial Officer	147.52	81.84	(44.52)
- Salary of Company Secretary	66.46	47.17	(29.02)

During the year, there was actually no increase in the remuneration of Shri Balram Garg as compared to previous financial year. However, due to inadequacy of profits during 2018-19, he refunded the excess remuneration to the Company. But during 2019-20 he drew full remuneration till July 31, 2019 and foregone the same thereafter.

**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 as well as the employees employed throughout the financial year and in receipt of remuneration aggregating not less than Rs.102 lakhs per annum:**

Particulars	Name	Shri Balram Garg	Shri Ramesh Kumar Sharma	Shri Sanjeev Bhatia	Shri Raja Ram Sugla	Shri Kuldeep Singh
		(1)	(2)	(3)	(4)	(5)
<b>Designation</b>		Managing Director	Executive Director & COO	Chief Financial Officer	President (Accounts & Taxation)	President (Accounts & Audit)
<b>Remuneration received</b>		Rs.240.00 Lakh	Rs.81.84 Lakh	Rs.81.84 Lakh	Rs.75.28 Lakh	Rs.75.28 Lakh
<b>Nature of employment</b>		As per Members' Resolution	As per Members' Resolution	Permanent Employee	Permanent Employee	Permanent Employee
<b>Qualification</b>		B.Com.	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.
<b>Experience (in years)</b>		31	42	34	20	14
<b>Date of commencement of employment</b>		April 16, 2005	April 1, 2007	August 1, 2008	April 1, 2006	October 1, 2008
<b>Age (in years)</b>		50	62	58	44	42
<b>Previous employment</b>		None	State Bank of Bikaner & Jaipur	State Bank of India	Private Consultant	Private Consultant
<b>Percentage of Equity Shares held (%)</b>		33.91	0.03	0.03	0.03	0.03
<b>Relative Director</b>		None	None	None	None	None

Name	Shri Nikhilesh Govil	Shri Vijay Panwar	Shri Vivek Jain	Smt. Sheiba Anand	Shri Ram Avtar Yadav
Particulars	(6)	(7)	(8)	(9)	(10)
<b>Designation</b>	President (Online & New Initiatives)	Company Secretary	Chief Technical Officer	President (Retail Operations)	AVP (HR)
<b>Remuneration received</b>	Rs.47.52 Lakh	Rs.47.17 Lakh	Rs.44.76 Lakh	Rs.43.53 Lakh	Rs.31.09 Lakh
<b>Nature of employment</b>	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee
<b>Qualification</b>	M.B.A., B.E.	Company Secretary, M.B.A., LL.B., B.Sc.	Chartered Accountant	B.A., B.H.M.	M.A., M.M.S., LL.B.
<b>Experience (in years)</b>	14	15	29	24	13
<b>Date of commencement of employment</b>	November 7, 2015	January 21, 2008	February 1, 2018	April 1, 2015	January 1, 2008
<b>Age (in years)</b>	38	45	54	49	55
<b>Previous employment</b>	Kotak Mahindra Capital Company Limited	Mast Mobile Media Private Limited	Independent Consultant	Genesis Colors	Indian Air Force
<b>Percentage of Equity Shares held (%)</b>	0.01	0.01	0.00	0.00	0.00
<b>Relative Director</b>	None	None	None	None	None

- (ii) **Employed for part of the year and in receipt of remuneration aggregating not less than Rs.8.50 lakhs or more per month:**  
None
- (iii) **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:** Not Applicable.



## ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

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. Corporate Social Responsibility Policy is available on the website of the Company and can be accessed through the link [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)

2. **Composition of CSR Committee:**

- i) Dr. Manohar Lal Singla (Independent Director): Chairman
- ii) Shri Krishan Kumar Khurana (Independent Director): Member
- iii) Shri Ramesh Kumar Sharma (Executive Director): Member

3. **Average net profit of the Company for last three financial years:** Rs.435.85 crores

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs.8.72 crores

5. **Details of CSR spent during the financial year:**

- a) Total amount to be spent for the financial year: Rs.8.72 crores
- b) Amount unspent, if any: Rs.8.72 crores
- c) Manner in which the amount spent during the financial year is detailed below:

(Rs. in Crores)							
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	None	N.A.	N.A.	N.A.	Nil	Nil	N.A.
	<b>Total</b>			N.A.	Nil	Nil	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:**

The jewellery industry started slowing down from the beginning of second quarter of financial year 2019-20 itself due to a very steep increase in the international gold prices. In India the jewellery industry contracted by nearly 40% during the quarter. The sentiments continued to remain very weak during the festive quarter as well as the economy was also slowing down. This position has only worsened during the fourth quarter as the fear of COVID-19 infection had started spreading in the first week of March, 2020 itself leading to a steep shortfall in the customer foot falls.

The de-growth in the Company's revenue as well as the liquidity crunch has totally constrained and restricted even its day to day operations. So much so that the Company's Promoter Shri Balram Garg had to infuse Rs.215 crores of his personal funds in the Company. Further, he in his capacity as Managing Director of the Company has also forgone salary from the Company from

August, 2019 onwards. Even some of the senior management personnel including Shri Ramesh Kumar Sharma, Executive Director & COO also supported the Company in this aspect by volunteering nearly 40% reduction in their monthly salaries during the year.

As a responsible corporate citizen, the Company tries to contribute towards social causes on a regular basis. Although social responsibility has always been at the forefront of the Company but due to de-growth in the Company's revenue as well as the liquidity crunch during the year, the Company was unable to spend the requisite amount towards CSR activities. However, the Company is committed for meeting its future CSR expenditure requirements, as soon as the situation normalise.

**7. Responsibility Statement:**

The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and Policy of the Company.

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

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



## DIVIDEND DISTRIBUTION POLICY

### 1) PREFACE

The Securities Exchange Board of India (**SEBI**) vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 dated July 8, 2016 has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

PC Jeweller Limited (the “**Company**”) being one of the top five hundred listed companies based on the aforesaid criteria, has approved and adopted this Dividend Distribution Policy (the “**Policy**”) at its Board meeting held on November 23, 2016, being the effective date of the Policy.

### 2) OBJECTIVE

The objective of the Policy is to broadly specify the circumstances under which the shareholders of the Company may or may not expect dividend, the external and internal factors including financial parameters that shall be considered while declaring dividend and how the retained earnings shall be utilized etc.

### 3) DEFINITIONS

3.1) “**Act**” means the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

3.2) “**Board**” means Board of Directors of the Company.

3.3) “**Company**” means PC Jeweller Limited.

3.4) “**Dividend**” includes any interim dividend.

3.5) “**Policy**” means Dividend Distribution Policy.

3.6) “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India and as amended from time to time.

### 4) CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The Board will assess the Company’s financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned in heading 5 of this Policy) and declare Dividend in any financial year.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

i) Future expansion plans requiring higher capital allocation; ii) Requirement of higher working capital for the purpose of business of the Company; iii) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc., which requires significant capital outflow; iv) Lenders restricting the Company from payment of dividend; v) In the event of loss or inadequacy of profit.

### 5) FINANCIAL PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

The dividend pay-out decision of the Board depends upon the following financial parameters, internal and external factors:



i) The Company's liquidity position and future cash flow needs; ii) Profits earned during the year; iii) Profits available for distribution; iv) Working Capital requirements; v) Capital expenditure requirements considering the expansion and acquisition opportunities; vi) Business expansion and growth; vii) Likelihood of crystalization of contingent liabilities, if any; viii) Investment in subsidiaries and associates of the Company; ix) Cost of borrowing; x) Stipulations/Covenants of loan agreements; xi) Past dividend payout ratio / trends; xii) Dividend pay-out ratio of comparable companies; xiii) Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

**6) UTILIZATION OF THE RETAINED EARNING**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. Subject to applicable provisions, the Company's retained earnings will be applied for:

i) Funding inorganic and organic growth needs including working capital, capital expenditure etc.; ii) repayment of debt; iii) Market expansion plan; iv) Increase in production capacity; v) Payment of Dividend in future years; vi) Any other permissible purpose as the Board may deem fit from time to time.

**7) MANNER OF DIVIDEND PAYOUT**

The Company may pay dividend annually, as and when recommended by the Board and approved by the shareholders at the Annual General Meeting of the Company.

The Board may also declare interim dividend(s) as and when they consider it fit.

**8) PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

**i) EQUITY SHARES**

Since the Company has issued only one class of equity shares with equal voting rights, all the shareholders of the Company are entitled to receive the same amount of dividend per share.

**ii) PREFERENCE SHARES**

Declaration of dividend on preference shares, shall be as per the terms of issue approved by the shareholders.

**9) DISCLOSURES**

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at [www.pcjeweller.com](http://www.pcjeweller.com).

**10) SCOPE LIMITATION**

In the event of any conflict between the provisions of this Policy and of the Listing Regulations / Act or any other statutory enactments, rules, the provisions of Listing Regulations / Act or statutory enactments, rules shall prevail over the Policy.

**11) AMENDMENT**

The Board may review / amend this Policy, as and when necessary, subject however to the provisions of the Act and the Listing Regulations.



## FORM NO. MGT - 9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

1	<b>CIN</b>	L36911DL2005PLC134929
2	<b>Registration date</b>	April 13, 2005
3	<b>Name of the company</b>	PC Jeweller Limited
4	<b>Category / Sub-Category of the company</b>	Limited by shares / Non-Government Company
5	<b>Address of the registered office and contact details</b>	C - 54, Preet Vihar, Vikas Marg, Delhi - 110092 Tel: 011 - 49714971, Fax: 011 - 49714972 E-mail: info@pcjeweller.com
6	<b>Whether listed company (Yes / No)</b>	Yes (Listed on BSE Limited and National Stock Exchange of India Limited)
7	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	KFin Technologies Private Limited Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 (Telangana) Tel: 040 - 67162222, Fax: 040 - 23001153 E-mail: einward.ris@kfintech.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Jewellery	3211 (As per NIC-2008)	100

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN/Regn. No.	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>PC Universal Private Limited</b> T-302, Raj Kamal Sadan, Plot No. 14, Preet Vihar Community Centre, Delhi – 110092	U36912DL2013PTC248867	Subsidiary	100	2(87)
2	<b>Transforming Retail Private Limited</b> 2716, First Floor, Bank Street, Karol Bagh, Delhi – 110005	U52100DL2014PTC271871	Subsidiary	100	2(87)
3	<b>Luxury Products Trendsetter Private Limited</b> 2716, Ground Floor, Bank Street, Karol Bagh, Delhi – 110005	U52393DL2015PTC288371	Subsidiary	100	2(87)
4	<b>PCJ Gems &amp; Jewellery Limited</b> 2713-16, Third Floor, Bank Street, Karol Bagh, New Delhi – 110005	U36911DL2019PLC348093	Subsidiary	100	2(87)
5	<b>PC Jeweller Global DMCC</b> Unit No. 2108, Platinum Tower, Plot No. JLT-PH1-I2, Jumeirah Lakes Towers, Dubai (UAE)	DMCC60642	Subsidiary	100	2(87)
6	<b>Comercializadora Internacional PC Jeweller International S.A.S.</b> CR 9 No. 80 – 15 of 202 – 203 of the City of Bogota D.C.	02795757	Stepdown Subsidiary	100	2(87)

The Company does not have any holding or associate companies.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**A. Category-wise Shareholding**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoter Group</b>									
<b>(1) Indian</b>									
a) Individual/HUF	227270300	0	227270300	57.59	183470096	0	183470096	46.45	(11.14)
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>227270300</b>	<b>0</b>	<b>227270300</b>	<b>57.59</b>	<b>183470096</b>	<b>0</b>	<b>183470096</b>	<b>46.45</b>	<b>(11.14)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoters &amp; Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>227270300</b>	<b>0</b>	<b>227270300</b>	<b>57.59</b>	<b>183470096</b>	<b>0</b>	<b>183470096</b>	<b>46.45</b>	<b>(11.14)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	92	0	92	0.00	20149	0	20149	0.01	0.01
b) Banks / FI	7791371	0	7791371	1.97	8159692	0	8159692	2.07	0.10
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	60965502	0	60965502	15.45	8864583	0	8864583	2.24	(13.21)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>68756965</b>	<b>0</b>	<b>68756965</b>	<b>17.42</b>	<b>17044424</b>	<b>0</b>	<b>17044424</b>	<b>4.32</b>	<b>(13.10)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	17666852	0	17666852	4.48	19137921	0	19137921	4.85	0.37
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	56932018	1487	56933505	14.43	114141282	936	114142218	28.90	14.47
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	18195580	0	18195580	4.61	52489770	0	52489770	13.29	8.68
c) Others									
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians	3396200	0	3396200	0.86	5240625	0	5240625	1.33	0.47
Clearing Members	2407442	0	2407442	0.61	3450078	0	3450078	0.87	0.26
Trusts	0	0	0	0.00	25000	0	25000	0.01	0.01
NBFC	21143	0	21143	0.01	2750	0	2750	0.00	(0.01)
<b>Sub-total (B)(2)</b>	<b>98619235</b>	<b>1487</b>	<b>98620722</b>	<b>24.99</b>	<b>194487426</b>	<b>936</b>	<b>194488362</b>	<b>49.24</b>	<b>24.25</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>167376200</b>	<b>1487</b>	<b>167377687</b>	<b>42.41</b>	<b>211531850</b>	<b>936</b>	<b>211532786</b>	<b>53.55</b>	<b>11.14</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>394646500</b>	<b>1487</b>	<b>394647987</b>	<b>100.00</b>	<b>395001946</b>	<b>936</b>	<b>395002882</b>	<b>100.00</b>	<b>0.00</b>

#### B. Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1	Shri Balram Garg	133952100	33.94	0.00	133952100	33.91	0.00	(0.03)#
<b>Total</b>		<b>133952100</b>	<b>33.94</b>	<b>0.00</b>	<b>133952100</b>	<b>33.91</b>	<b>0.00</b>	<b>(0.03)#</b>

# % Change in shareholding is due to increase in paid-up share capital of the Company.

#### C. Change in Promoters' Shareholding

SI No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Shri Balram Garg</b>				
	At the beginning of the year	133952100	33.94		
	Increase / (Decrease) in Shareholding during the year	0	0.00	0	0.00
	At the end of the year			133952100	33.91

**Note:** % shareholding at the end of the year changed due to increase in paid-up share capital of the Company.

**D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)**

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>SACHIN GUPTA</b>				
	At the beginning of the year	90443600	22.92		
	Increase / (Decrease) in shareholding during the year				
	31/05/2019 - Transfer	(11365000)	(2.88)	79078600	20.04
	07/06/2019 - Transfer	(8230000)	(2.09)	70848600	17.95
	14/06/2019 - Transfer	(5695000)	(1.44)	65153600	16.51
	28/06/2019 - Transfer	(9650000)	(2.45)	55503600	14.06
	05/07/2019 - Transfer	(3701287)	(0.94)	51802313	13.13
	12/07/2019 - Transfer	(3339500)	(0.85)	48462813	12.28
	At the end of the year			48462813	12.27
<b>2</b>	<b>LIFE INSURANCE CORPORATION OF INDIA</b>				
	At the beginning of the year	6951662	1.76		
	Increase / (Decrease) in shareholding during the year	0	0.00	6951662	1.76
	At the end of the year			6951662	1.76
<b>3</b>	<b>COMBITIC GLOBAL CAPLET PVT LTD</b>				
	At the beginning of the year	100000	0.03		
	Increase / (Decrease) in shareholding during the year				
	19/04/2019 – Transfer	(25000)	(0.01)	75000	0.02
	26/04/2019 – Transfer	(75000)	(0.02)	0	0.00
	28/06/2019 – Purchase	433529	0.11	433529	0.11
	12/07/2019 – Purchase	400000	0.10	833529	0.21
	19/07/2019 – Purchase	400000	0.10	1233529	0.31
	16/08/2019 – Purchase	1000000	0.25	2233529	0.57
	23/08/2019 – Purchase	899540	0.23	3133069	0.79
	30/08/2019 – Purchase	222000	0.06	3355069	0.85
	06/09/2019 – Purchase	456285	0.12	3811354	0.96
	20/09/2019 – Purchase	968500	0.25	4779854	1.21
	11/10/2019 – Purchase	350000	0.09	5129854	1.30
	13/03/2020 – Purchase	5129854	1.30	10259708	2.60
	13/03/2020 – Transfer	(5129854)	(1.30)	5129854	1.30
	At the end of the year			5129854	1.30
<b>4</b>	<b>GLOBE CAPITAL MARKET LTD.</b>				
	At the beginning of the year	345127	0.09		
	Increase / (Decrease) in shareholding during the year				
	05/04/2019 - Purchase	72598	0.02	417725	0.11
	05/04/2019 - Transfer	(369)	(0.00)	417356	0.11
	12/04/2019 - Purchase	192880	0.05	610236	0.15
	12/04/2019 - Transfer	(20596)	(0.01)	589640	0.15



Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	19/04/2019 - Purchase	522599	0.13	1112239	0.28
	19/04/2019 - Transfer	(33085)	(0.01)	1079154	0.27
	26/04/2019 - Purchase	578370	0.15	1657524	0.42
	26/04/2019 - Transfer	(130494)	(0.03)	1527030	0.39
	03/05/2019 - Purchase	665752	0.17	2192782	0.56
	03/05/2019 - Transfer	(350309)	(0.09)	1842473	0.47
	10/05/2019 - Purchase	1253	0.00	1843726	0.47
	10/05/2019 - Transfer	(352964)	(0.09)	1490762	0.38
	17/05/2019 - Purchase	344287	0.09	1835049	0.46
	17/05/2019 - Transfer	(217642)	(0.06)	1617407	0.41
	24/05/2019 - Purchase	266668	0.07	1884075	0.48
	24/05/2019 - Transfer	(8709)	(0.00)	1875366	0.48
	31/05/2019 - Purchase	592	0.00	1875958	0.48
	31/05/2019 - Transfer	(1483799)	(0.38)	392159	0.10
	07/06/2019 - Purchase	27765	0.01	419924	0.11
	07/06/2019 - Transfer	(81314)	(0.02)	338610	0.09
	14/06/2019 - Purchase	148452	0.04	487062	0.12
	21/06/2019 - Purchase	373737	0.09	860799	0.22
	21/06/2019 - Transfer	(793)	(0.00)	860006	0.22
	28/06/2019 - Purchase	453035	0.11	1313041	0.33
	28/06/2019 - Transfer	(1217)	(0.00)	1311824	0.33
	29/06/2019 - Transfer	(123163)	(0.03)	1188661	0.30
	05/07/2019 - Purchase	410727	0.10	1599388	0.41
	05/07/2019 - Transfer	(377995)	(0.10)	1221393	0.31
	12/07/2019 - Purchase	148509	0.04	1369902	0.35
	12/07/2019 - Transfer	(10036)	(0.00)	1359866	0.34
	19/07/2019 - Purchase	946356	0.24	2306222	0.58
	19/07/2019 - Transfer	(703851)	(0.18)	1602371	0.41
	26/07/2019 - Purchase	234569	0.06	1836940	0.47
	26/07/2019 - Transfer	(11010)	(0.00)	1825930	0.46
	02/08/2019 - Purchase	31844	0.01	1857774	0.47
	02/08/2019 - Transfer	(110325)	(0.03)	1747449	0.44
	09/08/2019 - Purchase	219187	0.06	1966636	0.50
	09/08/2019 - Transfer	(8389)	(0.00)	1958247	0.50
	16/08/2019 - Purchase	45061	0.01	2003308	0.51
	16/08/2019 - Transfer	(2969)	(0.00)	2000339	0.51
	23/08/2019 - Purchase	10833	0.00	2011172	0.51
	23/08/2019 - Transfer	(95000)	(0.02)	1916172	0.49
	30/08/2019 - Purchase	41024	0.01	1957196	0.50

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	30/08/2019 - Transfer	(119707)	(0.03)	1837489	0.47
	06/09/2019 - Purchase	173564	0.04	2011053	0.51
	13/09/2019 - Purchase	726	0.00	2011779	0.51
	13/09/2019 - Transfer	(33953)	(0.01)	1977826	0.50
	20/09/2019 - Purchase	262490	0.07	2240316	0.57
	20/09/2019 - Transfer	(189992)	(0.05)	2050324	0.52
	27/09/2019 - Purchase	99384	0.03	2149708	0.54
	27/09/2019 - Transfer	(69565)	(0.02)	2080143	0.53
	30/09/2019 - Purchase	560437	0.14	2640580	0.67
	30/09/2019 - Transfer	(614740)	(0.16)	2025840	0.51
	04/10/2019 - Purchase	59508	0.02	2085348	0.53
	04/10/2019 - Transfer	(41038)	(0.01)	2044310	0.52
	11/10/2019 - Purchase	2140	0.00	2046450	0.52
	11/10/2019 - Transfer	(278905)	(0.07)	1767545	0.45
	18/10/2019 - Purchase	1687	0.00	1769232	0.45
	18/10/2019 - Transfer	(230447)	(0.06)	1538785	0.39
	25/10/2019 - Purchase	2718	0.00	1541503	0.39
	25/10/2019 - Transfer	(48245)	(0.01)	1493258	0.38
	01/11/2019 - Purchase	51179	0.01	1544437	0.39
	01/11/2019 - Transfer	(34288)	(0.01)	1510149	0.38
	08/11/2019 - Purchase	8531	0.00	1518680	0.38
	08/11/2019 - Transfer	(182116)	(0.05)	1336564	0.34
	15/11/2019 - Purchase	1293203	0.33	2629767	0.67
	15/11/2019 - Transfer	(7004)	(0.00)	2622763	0.66
	22/11/2019 - Purchase	253404	0.06	2876167	0.73
	22/11/2019 - Transfer	(8554)	(0.00)	2867613	0.73
	29/11/2019 - Purchase	3017	0.00	2870630	0.73
	29/11/2019 - Transfer	(36983)	(0.01)	2833647	0.72
	06/12/2019 - Purchase	270161	0.07	3103808	0.79
	06/12/2019 - Transfer	(2349)	(0.00)	3101459	0.79
	13/12/2019 - Purchase	111534	0.03	3212993	0.81
	13/12/2019 - Transfer	(127674)	(0.03)	3085319	0.78
	20/12/2019 - Purchase	2279	0.00	3087598	0.78
	20/12/2019 - Transfer	(137776)	(0.03)	2949822	0.75
	27/12/2019 - Transfer	(37048)	(0.01)	2912774	0.74
	31/12/2019 - Purchase	451	0.00	2913225	0.74
	31/12/2019 - Transfer	(20595)	(0.01)	2892630	0.73
	03/01/2020 - Purchase	1465	0.00	2894095	0.73
	03/01/2020 - Transfer	(4176)	(0.00)	2889919	0.73



Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	10/01/2020 - Purchase	24630	0.01	2914549	0.74
	10/01/2020 - Transfer	(1778)	(0.00)	2912771	0.74
	17/01/2020 - Purchase	6091	0.00	2918862	0.74
	17/01/2020 - Transfer	(56910)	(0.01)	2861952	0.72
	24/01/2020 - Purchase	27948	0.01	2889900	0.73
	24/01/2020 - Transfer	(6435)	(0.00)	2883465	0.73
	31/01/2020 - Purchase	18711	0.00	2902176	0.73
	31/01/2020 - Transfer	(24863)	(0.01)	2877313	0.73
	07/02/2020 - Purchase	72822	0.02	2950135	0.75
	07/02/2020 - Transfer	(16911)	(0.00)	2933224	0.74
	14/02/2020 - Purchase	98598	0.02	3031822	0.77
	14/02/2020 - Transfer	(87409)	(0.02)	2944413	0.75
	21/02/2020 - Purchase	250301	0.06	3194714	0.81
	21/02/2020 - Transfer	(58589)	(0.01)	3136125	0.79
	28/02/2020 - Purchase	4860	0.00	3140985	0.80
	28/02/2020 - Transfer	(277057)	(0.07)	2863928	0.73
	06/03/2020 - Purchase	22232	0.01	2886160	0.73
	06/03/2020 - Transfer	(167003)	(0.04)	2719157	0.69
	13/03/2020 - Purchase	7782	0.00	2726939	0.69
	13/03/2020 - Transfer	(14986)	(0.00)	2711953	0.69
	20/03/2020 - Purchase	3567	0.00	2715520	0.69
	20/03/2020 - Transfer	(29099)	(0.01)	2686421	0.68
	27/03/2020 - Purchase	474633	0.12	3161054	0.80
	27/03/2020 - Transfer	(34829)	(0.01)	3126225	0.79
	31/03/2020 - Purchase	1255	0.00	3127480	0.79
	31/03/2020 - Transfer	(48835)	(0.01)	3078645	0.78
	At the end of the year			3078645	0.78
<b>5</b>	<b>TOUCHSTONE STRATEGIC TRUST - TOUCHSTONE INTERNATIONAL EQUITY FUND</b>				
	At the beginning of the year	2600000	0.66		
	Increase / (Decrease) in shareholding during the year				
	19/04/2019 - Transfer	(400000)	(0.10)	2200000	0.56
	At the end of the year			2200000	0.56
<b>6</b>	<b>DIMENSIONAL EMERGING MARKETS VALUE FUND</b>				
	At the beginning of the year	2397339	0.61		
	Increase / (Decrease) in shareholding during the year				
	12/04/2019 - Purchase	251273	0.06	2648612	0.67



Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	18/10/2019 - Transfer	(250855)	(0.06)	2397757	0.61
	15/11/2019 - Transfer	(141866)	(0.04)	2255891	0.57
	07/02/2020 - Transfer	(263337)	(0.07)	1992554	0.50
	14/02/2020 - Transfer	(174753)	(0.04)	1817801	0.46
	At the end of the year			1817801	0.46
<b>7</b>	<b>EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)</b>				
	At the beginning of the year	1928375	0.49		
	Increase / (Decrease) in shareholding during the year				
	14/06/2019 - Purchase	384578	0.10	2312953	0.59
	20/12/2019 - Transfer	(259195)	(0.07)	2053758	0.52
	27/12/2019 - Transfer	(49620)	(0.01)	2004138	0.51
	28/02/2020 - Transfer	(168052)	(0.04)	1836086	0.46
	06/03/2020 - Transfer	(158150)	(0.04)	1677936	0.42
	20/03/2020 - Transfer	(244246)	(0.06)	1433690	0.36
	27/03/2020 - Transfer	(118898)	(0.03)	1314792	0.33
	At the end of the year			1314792	0.33
<b>8</b>	<b>PAVEL GARG</b>				
	At the beginning of the year	0	0.00		
	Increase / (Decrease) in shareholding during the year				
	06/03/2020 - Purchase	1220000	0.31	1220000	0.31
	At the end of the year			1220000	0.31
<b>9</b>	<b>ANGEL BROKING LIMITED</b>				
	At the beginning of the year	1427262	0.36		
	Increase / (Decrease) in shareholding during the year				
	05/04/2019 - Purchase	21674	0.01	1448936	0.37
	05/04/2019 - Transfer	(80250)	(0.02)	1368686	0.35
	12/04/2019 - Purchase	66476	0.02	1435162	0.36
	12/04/2019 - Transfer	(323803)	(0.08)	1111359	0.28
	19/04/2019 - Purchase	240362	0.06	1351721	0.34
	19/04/2019 - Transfer	(172571)	(0.04)	1179150	0.30
	26/04/2019 - Purchase	555292	0.14	1734442	0.44
	26/04/2019 - Transfer	(301552)	(0.08)	1432890	0.36
	03/05/2019 - Purchase	50933	0.01	1483823	0.38
	03/05/2019 - Transfer	(13954)	(0.00)	1469869	0.37
	10/05/2019 - Purchase	11575	0.00	1481444	0.38



Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	10/05/2019 - Transfer	(150328)	(0.04)	1331116	0.34
	17/05/2019 - Purchase	89852	0.02	1420968	0.36
	17/05/2019 - Transfer	(88684)	(0.02)	1332284	0.34
	24/05/2019 - Purchase	126482	0.03	1458766	0.37
	24/05/2019 - Transfer	(89089)	(0.02)	1369677	0.35
	31/05/2019 - Purchase	617174	0.16	1986851	0.50
	31/05/2019 - Transfer	(17820)	(0.00)	1969031	0.50
	07/06/2019 - Purchase	349175	0.09	2318206	0.59
	07/06/2019 - Transfer	(26864)	(0.01)	2291342	0.58
	14/06/2019 - Purchase	289413	0.07	2580755	0.65
	14/06/2019 - Transfer	(3542)	(0.00)	2577213	0.65
	21/06/2019 - Purchase	728265	0.18	3305478	0.84
	21/06/2019 - Transfer	(4356)	(0.00)	3301122	0.84
	28/06/2019 - Purchase	513266	0.13	3814388	0.97
	28/06/2019 - Transfer	(107920)	(0.03)	3706468	0.94
	29/06/2019 - Purchase	679	0.00	3707147	0.94
	29/06/2019 - Transfer	(2405)	(0.00)	3704742	0.94
	05/07/2019 - Purchase	306681	0.08	4011423	1.02
	05/07/2019 - Transfer	(392897)	(0.10)	3618526	0.92
	12/07/2019 - Purchase	287305	0.07	3905831	0.99
	12/07/2019 - Transfer	(247980)	(0.06)	3657851	0.93
	19/07/2019 - Purchase	936533	0.24	4594384	1.16
	19/07/2019 - Transfer	(1030242)	(0.26)	3564142	0.90
	26/07/2019 - Purchase	136143	0.03	3700285	0.94
	26/07/2019 - Transfer	(372947)	(0.09)	3327338	0.84
	02/08/2019 - Purchase	80995	0.02	3408333	0.86
	02/08/2019 - Transfer	(170816)	(0.04)	3237517	0.82
	09/08/2019 - Purchase	730142	0.18	3967659	1.00
	09/08/2019 - Transfer	(806947)	(0.20)	3160712	0.80
	16/08/2019 - Purchase	155136	0.04	3315848	0.84
	16/08/2019 - Transfer	(148234)	(0.04)	3167614	0.80
	23/08/2019 - Purchase	121556	0.03	3289170	0.83
	23/08/2019 - Transfer	(239694)	(0.06)	3049476	0.77
	30/08/2019 - Purchase	224197	0.06	3273673	0.83
	30/08/2019 - Transfer	(470306)	(0.12)	2803367	0.71
	06/09/2019 - Purchase	41742	0.01	2845109	0.72
	06/09/2019 - Transfer	(164179)	(0.04)	2680930	0.68
	13/09/2019 - Purchase	108323	0.03	2789253	0.71
	13/09/2019 - Transfer	(179027)	(0.05)	2610226	0.66

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	20/09/2019 - Purchase	76724	0.02	2686950	0.68
	20/09/2019 - Transfer	(218532)	(0.06)	2468418	0.62
	27/09/2019 - Purchase	210332	0.05	2678750	0.68
	27/09/2019 - Transfer	(1685161)	(0.43)	993589	0.25
	30/09/2019 - Purchase	1125457	0.28	2119046	0.54
	30/09/2019 - Transfer	(251236)	(0.06)	1867810	0.47
	04/10/2019 - Purchase	232009	0.06	2099819	0.53
	04/10/2019 - Transfer	(92661)	(0.02)	2007158	0.51
	11/10/2019 - Purchase	116691	0.03	2123849	0.54
	11/10/2019 - Transfer	(245027)	(0.06)	1878822	0.48
	18/10/2019 - Purchase	298392	0.08	2177214	0.55
	18/10/2019 - Transfer	(275760)	(0.07)	1901454	0.48
	25/10/2019 - Purchase	73027	0.02	1974481	0.50
	25/10/2019 - Transfer	(152555)	(0.04)	1821926	0.46
	01/11/2019 - Purchase	84663	0.02	1906589	0.48
	01/11/2019 - Transfer	(58674)	(0.01)	1847915	0.47
	08/11/2019 - Purchase	106435	0.03	1954350	0.49
	08/11/2019 - Transfer	(152815)	(0.04)	1801535	0.46
	15/11/2019 - Purchase	75896	0.02	1877431	0.48
	15/11/2019 - Transfer	(206598)	(0.05)	1670833	0.42
	22/11/2019 - Purchase	42048	0.01	1712881	0.43
	22/11/2019 - Transfer	(13915)	(0.00)	1698966	0.43
	29/11/2019 - Purchase	16990	0.00	1715956	0.43
	29/11/2019 - Transfer	(137917)	(0.03)	1578039	0.40
	06/12/2019 - Purchase	1016101	0.26	2594140	0.66
	06/12/2019 - Transfer	(249155)	(0.06)	2344985	0.59
	13/12/2019 - Purchase	195019	0.05	2540004	0.64
	13/12/2019 - Transfer	(258876)	(0.07)	2281128	0.58
	20/12/2019 - Purchase	179246	0.05	2460374	0.62
	20/12/2019 - Transfer	(294499)	(0.07)	2165875	0.55
	27/12/2019 - Purchase	303322	0.08	2469197	0.63
	27/12/2019 - Transfer	(190007)	(0.05)	2279190	0.58
	31/12/2019 - Purchase	72752	0.02	2351942	0.60
	31/12/2019 - Transfer	(224929)	(0.06)	2127013	0.54
	03/01/2020 - Purchase	46357	0.01	2173370	0.55
	03/01/2020 - Transfer	(114771)	(0.03)	2058599	0.52
	10/01/2020 - Purchase	20128	0.01	2078727	0.53
	10/01/2020 - Transfer	(151583)	(0.04)	1927144	0.49
	17/01/2020 - Purchase	153655	0.04	2080799	0.53



Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	17/01/2020 - Transfer	(23177)	(0.01)	2057622	0.52
	24/01/2020 - Purchase	18206	0.00	2075828	0.53
	24/01/2020 - Transfer	(356607)	(0.09)	1719221	0.44
	31/01/2020 - Purchase	185350	0.05	1904571	0.48
	31/01/2020 - Transfer	(249413)	(0.06)	1655158	0.42
	07/02/2020 - Purchase	149295	0.04	1804453	0.46
	07/02/2020 - Transfer	(135608)	(0.03)	1668845	0.42
	14/02/2020 - Purchase	387560	0.10	2056405	0.52
	14/02/2020 - Transfer	(86266)	(0.02)	1970139	0.50
	21/02/2020 - Purchase	120188	0.03	2090327	0.53
	21/02/2020 - Transfer	(135273)	(0.03)	1955054	0.49
	28/02/2020 - Purchase	174221	0.04	2129275	0.54
	28/02/2020 - Transfer	(292989)	(0.07)	1836286	0.46
	06/03/2020 - Purchase	290479	0.07	2126765	0.54
	06/03/2020 - Transfer	(140609)	(0.04)	1986156	0.50
	13/03/2020 - Purchase	100659	0.03	2086815	0.53
	13/03/2020 - Transfer	(424698)	(0.11)	1662117	0.42
	20/03/2020 - Purchase	240799	0.06	1902916	0.48
	20/03/2020 - Transfer	(349581)	(0.09)	1553335	0.39
	27/03/2020 - Purchase	213338	0.05	1766673	0.45
	27/03/2020 - Transfer	(241775)	(0.06)	1524898	0.39
	31/03/2020 - Purchase	60210	0.02	1585108	0.40
	31/03/2020 - Transfer	(127262)	(0.03)	1457846	0.37
	At the end of the year			1457846	0.37
<b>10</b>	<b>ICICI BANK LIMITED</b>				
	At the beginning of the year	579549	0.15		
	Increase / (Decrease) in shareholding during the year				
	05/04/2019 - Purchase	515577	0.13	1095126	0.28
	12/04/2019 - Purchase	519633	0.13	1614759	0.41
	19/04/2019 - Purchase	258216	0.07	1872975	0.47
	26/04/2019 - Transfer	(657763)	(0.17)	1215212	0.31
	03/05/2019 - Transfer	(487895)	(0.12)	727317	0.18
	10/05/2019 - Transfer	(208497)	(0.05)	518820	0.13
	17/05/2019 - Transfer	(9134)	(0.00)	509686	0.13
	24/05/2019 - Purchase	263637	0.07	773323	0.20
	31/05/2019 - Transfer	(156443)	(0.04)	616880	0.16
	07/06/2019 - Purchase	153903	0.04	770783	0.20
	14/06/2019 - Purchase	39286	0.01	810069	0.21

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	21/06/2019 - Purchase	131125	0.03	941194	0.24
	28/06/2019 - Purchase	815481	0.21	1756675	0.45
	29/06/2019 - Transfer	(1548)	(0.00)	1755127	0.44
	05/07/2019 - Transfer	(125665)	(0.03)	1629462	0.41
	12/07/2019 - Purchase	199768	0.05	1829230	0.46
	19/07/2019 - Transfer	(95316)	(0.02)	1733914	0.44
	26/07/2019 - Transfer	(89702)	(0.02)	1644212	0.42
	02/08/2019 - Transfer	(88416)	(0.02)	1555796	0.39
	09/08/2019 - Transfer	(36614)	(0.01)	1519182	0.38
	16/08/2019 - Purchase	27620	0.01	1546802	0.39
	23/08/2019 - Transfer	(77055)	(0.02)	1469747	0.37
	30/08/2019 - Transfer	(91111)	(0.02)	1378636	0.35
	06/09/2019 - Purchase	54108	0.01	1432744	0.36
	13/09/2019 - Transfer	(126994)	(0.03)	1305750	0.33
	20/09/2019 - Transfer	(32234)	(0.01)	1273516	0.32
	27/09/2019 - Transfer	(614602)	(0.16)	658914	0.17
	30/09/2019 - Transfer	(23669)	(0.01)	635245	0.16
	04/10/2019 - Purchase	194668	0.05	829913	0.21
	11/10/2019 - Purchase	36233	0.01	866146	0.22
	18/10/2019 - Transfer	(18494)	(0.00)	847652	0.21
	25/10/2019 - Purchase	53465	0.01	901117	0.23
	01/11/2019 - Transfer	(48018)	(0.01)	853099	0.22
	08/11/2019 - Purchase	118406	0.03	971505	0.25
	15/11/2019 - Transfer	(27859)	(0.01)	943646	0.24
	22/11/2019 - Purchase	104781	0.03	1048427	0.27
	29/11/2019 - Transfer	(19565)	(0.00)	1028862	0.26
	06/12/2019 - Purchase	97760	0.02	1126622	0.29
	13/12/2019 - Transfer	(40018)	(0.01)	1086604	0.28
	20/12/2019 - Purchase	107936	0.03	1194540	0.30
	27/12/2019 - Purchase	9274	0.00	1203814	0.30
	31/12/2019 - Transfer	(23275)	(0.01)	1180539	0.30
	03/01/2020 - Purchase	62402	0.02	1242941	0.31
	10/01/2020 - Transfer	(3306)	0.00	1239635	0.31
	17/01/2020 - Transfer	(56640)	(0.01)	1182995	0.30
	24/01/2020 - Purchase	292237	0.07	1475232	0.37
	31/01/2020 - Purchase	56502	0.01	1531734	0.39
	07/02/2020 - Transfer	(174848)	(0.04)	1356886	0.34
	14/02/2020 - Purchase	10433	0.00	1367319	0.35
	21/02/2020 - Purchase	22157	0.01	1389476	0.35



Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	28/02/2020 - Purchase	19058	0.00	1408534	0.36
	06/03/2020 - Transfer	(7768)	(0.00)	1400766	0.35
	13/03/2020 - Transfer	(101940)	(0.03)	1298826	0.33
	20/03/2020 - Transfer	(22593)	(0.01)	1276233	0.32
	27/03/2020 - Transfer	(35498)	(0.01)	1240735	0.31
	31/03/2020 - Transfer	(43475)	(0.01)	1197260	0.30
	At the end of the year		0.00	1197260	0.30

**Notes: 1)** Top ten shareholders of the Company as on March 31, 2020 have been considered for the aforesaid disclosure. **2)** In case of joint shareholders, name of only first shareholder is mentioned. **3)** Purchase / transfer details are taken on the basis of weekly Benpos.

#### E. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Shri Balram Garg</b> (Managing Director)				
	At the beginning of the year	133952100	33.94		
	Increase / (Decrease) in Shareholding during the year	0	0.00	0	0.00
	At the end of the year			133952100	33.91
<b>2</b>	<b>Shri Ramesh Kumar Sharma</b> (Executive Director)				
	At the beginning of the year	76325	0.02		
	Increase / (Decrease) in Shareholding during the year				
	10/06/2019 – Transfer	(16000)	(0.00)	60325	0.01
	09/08/2019 – Purchase (Allotment under ESOP 2011)	72175	0.02	132500	0.03
	At the end of the year			132500	0.03
<b>3</b>	<b>Shri Krishan Kumar Khurana</b> (Non-Executive Director)				
	At the beginning of the year	0	0.00		
	Increase / (Decrease) in Shareholding during the year	0	0.00	0	0.00
	At the end of the year			0	0.00
<b>4</b>	<b>Dr. Manohar Lal Singla</b> (Non-Executive Director)				
	At the beginning of the year	0	0.00		
	Increase / (Decrease) in Shareholding during the year	0	0.00	0	0.00
	At the end of the year			0	0.00
<b>5</b>	<b>Shri Miyar Ramanath Nayak</b> (Non-Executive Director)				
	At the beginning of the year	0	0.00		
	Increase / (Decrease) in Shareholding during the year	0	0.00	0	0.00
	At the end of the year			0	0.00
<b>6</b>	<b>Shri Suresh Kumar Jain</b> (Non-Executive Director)				
	At the beginning of the year	0	0.00		
	Increase / (Decrease) in Shareholding during the year	0	0.00	0	0.00
	At the end of the year			0	0.00

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>7</b>	<b>Smt. Sannovanda Machaiah Swathi</b> (Non-Executive Director)				
	At the beginning of the year	0	0.00		
	Increase / (Decrease) in Shareholding during the year	0	0.00	0	0.00
	At the end of the year			0	0.00
<b>8</b>	<b>Shri Sanjeev Bhatia</b> (Chief Financial Officer)				
	At the beginning of the year	70800	0.02		
	Increase / (Decrease) in Shareholding during the year				
	03/06/2019 - Transfer	(10000)	(0.00)	60800	0.02
	14/06/2019 - Transfer	(3700)	(0.00)	57100	0.01
	09/08/2019 – Purchase (Allotment under ESOP 2011)	72175	0.02	129275	0.03
	At the end of the year			129275	0.03
<b>9</b>	<b>Shri Vijay Panwar</b> (Company Secretary)				
	At the beginning of the year	30091	0.01		
	Increase / (Decrease) in Shareholding during the year				
	09/08/2019 – Purchase (Allotment under ESOP 2011)	24605	0.00	54696	0.01
	At the end of the year			54696	0.01

**Notes:** **1)** % shareholding of Shri Balram Garg at the end of the year changed due to increase in paid-up share capital of the Company. **2)** Purchase date in case of allotment under ESOP 2011 is the date of allotment of shares by the Company. **3)** % of total shares of the Company in the tables under headings C, D and E of Point IV are calculated on the basis of paid – up equity share capital of the Company as on the respective date.

## V. INDEBTEDNESS

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

(Rs. in Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,120.51	0.00	141.85	2,262.36
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	3.03	0.00	0.00	3.03
<b>Total (i+ii+iii)</b>	<b>2,123.54</b>	<b>0.00</b>	<b>141.85</b>	<b>2,265.39</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	0.00	215.42	30.00	245.42
• Reduction	35.90	0.00	135.43	171.33
<b>Net Change</b>	<b>(35.90)</b>	<b>215.42</b>	<b>(105.43)</b>	<b>74.09</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,078.98	215.42	36.42	2,330.82
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	8.66	0.00	0.00	8.66
<b>Total (i+ii+iii)</b>	<b>2,087.64</b>	<b>215.42</b>	<b>36.42</b>	<b>2,339.48</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-Time Directors and/or Manager

(Rs. in Lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Shri Balram Garg	Shri Ramesh Kumar Sharma	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	240.00	58.60	298.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	23.24	23.24
3	Sweat Equity	0.00	0.00	0.00
4	Commission			
	- as % of profit	0.00	0.00	0.00
	- others, specify...	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	<b>Total (A)</b>	<b>240.00</b>	<b>81.84</b>	<b>321.84</b>
	<b>Ceiling as per the Act</b>			<b>2,205.87</b>

## B. Remuneration to other Directors

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
		Mrs. Sannovanda Machaiah Swathi	Shri Krishan Kumar Khurana	Dr. Manohar Lal Singla	Shri Miyar Ramanath Nayak	Shri Suresh Kumar Jain	
1	<b>Independent Directors</b>						
	• Fee for attending board / committee meetings	1.60	3.30	2.80	2.50	1.30	11.50
	• Commission	0.00	0.00	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (1)</b>	<b>1.60</b>	<b>3.30</b>	<b>2.80</b>	<b>2.50</b>	<b>1.30</b>	<b>11.50</b>
2	<b>Other Non-Executive Directors</b>	N.A.	N.A.	N.A.	N.A.	N.A.	
	• Fee for attending board / committee meetings	0.00	0.00	0.00	0.00	0.00	0.00
	• Commission	0.00	0.00	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total (B)=(1+2)</b>	<b>1.60</b>	<b>3.30</b>	<b>2.80</b>	<b>2.50</b>	<b>1.30</b>	<b>11.50</b>
	<b>Ceiling as per the Act</b>						<b>220.59</b>
	<b>Total Managerial Remuneration (A+B)</b>						<b>333.34</b>
	<b>Overall Ceiling as per the Act</b>						<b>2,426.46</b>



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

(Rs. in Lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS Shri Vijay Panwar	CFO Shri Sanjeev Bhatia	
<b>1</b>	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		40.42	58.60	99.02
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0.00	0.00	0.00
<b>2</b>	Stock Option	<b>Not Applicable</b>	6.75	23.24	29.99
<b>3</b>	Sweat Equity		0.00	0.00	0.00
<b>4</b>	Commission				
	- as % of		0.00	0.00	0.00
	- others, specify...		0.00	0.00	0.00
<b>5</b>	Others, please specify		0.00	0.00	0.00
	<b>Total</b>		<b>47.17</b>	<b>81.84</b>	<b>129.01</b>

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

No penalties / punishment / compounding of offences were levied under the Companies Act, 2013 against the Company or its Directors or Officers in Default, if any, during the year.



## 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, 2019 to March 31, 2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Jewellery (3211 - As per NIC 2008)
8. Key products that the Company manufactures / provides (as in balance sheet): Gold 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 includes export of jewellery but it do not have any office / showroom / manufacturing unit out of India. However, the Company has one wholly owned subsidiary 'PC Jeweller Global DMCC' in Dubai and one step down subsidiary 'Comercializadora Internacional PC Jeweller International S.A.S.' in Columbia.
  - (b) Number of National locations: 87 (83 showrooms, 4 manufacturing units)
10. Markets served by the Company: National and International

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up capital : Rs.395.00 crore
2. Total turnover : Rs.4,938.59 crore
3. Total profit after taxes : Rs.78.50 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Nil
5. List of activities in which expenditure in 4 above has been incurred: NA

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?: The Company have 5 wholly owned subsidiaries and 1 step down subsidiary.
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%]: No

### SECTION D: BR INFORMATION

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

Particulars	Details
DIN Number	01980542
Name	Shri Ramesh Kumar Sharma
Designation	Executive Director & Chief Operating Officer
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.	Most of the policies are uploaded on the website / intranet of the Company for information of relevant stakeholders and employees.								
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 and 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 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 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 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?**

The Company have started publishing BR Report from financial year 2016-17 onwards as a part of its 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?**

Our 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.

**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.**

The Company have not received any complaints with regard to violation of the Codes of Conduct and Whistle Blower Policy during the financial year 2019-20.

### 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 jewellery business and manufactures gold and diamond jewellery, which are safe for use and do not lose their physical properties and lustre with time. Jewellery is a recyclable product and can be exchanged with a new piece of jewellery at any time. 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.

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

The Company acknowledges 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 with greater sense of accountability as well as responsibility and is always determined for welfare of the employees.

1. Total number of employees – 1,749
2. Total number of employees hired on temporary / contractual / casual basis – Nil
3. Number of permanent women employees – 571

4. Number of permanent employees with disabilities - The Company provides equal opportunity to all and do not discriminate amongst them on the grounds of disability. As on March 31, 2020 the Company have 6 permanent employees with disabilities.
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: The Company totally discourage the practices of child labour, forced labour, involuntary labour and sexual harassment. Neither, the Company received any complaint related to aforesaid matters during the financial year 2019-20 nor was any complaint pending as on March 31, 2020.
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 sessions to upgrade the working skills of its employees as well as provide them basic fire and safety training.
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's internal stakeholders are its employees and external stakeholders include suppliers, customers, investors, bankers and regulatory authorities etc.

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

The Company have 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 do not discriminate amongst its employees on the basis of gender or their physical abilities. It provides equal opportunity to employee with disabilities and women employees. The Company also believes in women empowerment and endeavours to provide them more and more employment opportunities. The policies adopted and put in place by the Company, specifically – CSR Policy and 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?**

As a socially responsible organisation, the Company is committed to protect and safeguard human rights as well as conduct its business with honesty, integrity and ethically. The Company acknowledges the importance of human rights and discourage practices of child labour, forced labour, 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?**

The Company did not receive any complaint related to human rights during the financial year 2019-20.

**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. The Company in its efforts to protect and restore the environment strives optimal use of energy and avoid wastages of papers as far as possible.

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 in the business of manufacturing of jewellery, mainly manufactured by hand, which does 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:

1. ASSOCHAM (The Associated Chambers of Commerce & Industry of India)
2. FICCI (Federation of Indian Chambers of Commerce and Industry)
3. GJEPC (The Gems & Jewellery Export Promotion Council)
4. EPCES (Export Promotion Council for EOUs & 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 and supports various 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?**

Social responsibility has always been at the forefront of the Company's operating philosophy. The Company tries to contribute towards social causes on a regular basis. The Company has in place Corporate Social Responsibility ("CSR") Policy. CSR programs or projects undertaken by the Company in terms of this Policy relate to activities mentioned in Schedule VII of the Companies Act, 2013. The Company also made donations from time to time for various charitable activities.

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

The Company had undertaken CSR programs through different implementing agencies.

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

Currently no impact assessment of initiatives has been undertaken. However, the Company 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?**

During the year, the Company has not made any contribution in relation to CSR activities. However, the Company has made donations aggregating to Rs.41.17 lakh towards various charitable activities.

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

The Company encourage its employees to be involved with and work on social projects. Further, the Company has generally opened its showrooms in small locations of the country and consequentially promoted employment thereat.

The Company also outsources jewellery manufacturing to a large number of small artisans which provides them with a steady source of income.

**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 prides itself in being a customer centric organization. It sells 100% hallmarked gold jewellery to provide trust and comfort to its customers. All of its showrooms are also equipped with 'Karatometers', where any customer can test purity of the jewellery. Its product labels / tags displays all the information mandated by the applicable laws. Diamond jewellery is also accompanied by certificate from Gemological India Enterprise (GIE) consisting of information about weight, colour, clarity etc. The product pricing and other terms and condition of sale are also transparent and explained to the customers.

**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.

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

The Company being customer centric organization, works very closely with the choices of its customers and keeps their demands, culture and purchasing preferences in mind, hence, keeps on creating new designs and collections of jewellery 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 strongly believes that sound corporate governance practices go a long way in retaining the investors' trust and confidence as well as sustaining the interest of all the stakeholders. The Company has always strived to adopt best corporate governance practices. The Company is committed to the adoption of, adherence to and maintaining the highest ethical standards and sound corporate governance practices at all times.

### BOARD OF DIRECTORS

#### I) COMPOSITION

The Board of Directors ("**Board**") of the Company has an

Sr. No.	Name	Category	Number of equity shares	Number of convertible instruments
1	Shri Balram Garg	Managing Director (Promoter)	13,39,52,100	Nil
2	Shri Ramesh Kumar Sharma	Executive Director	1,32,500	Nil
3	Dr. Manohar Lal Singla	Non – Executive Independent Director	Nil	Nil
4	Shri Krishan Kumar Khurana	Non – Executive Independent Director	Nil	Nil
5	Shri Miyar Ramanath Nayak	Non – Executive Independent Director	Nil	Nil
6	Shri Suresh Kumar Jain	Non – Executive Independent Director	Nil	Nil
7	Mrs. Sannovanda Machaiah Swathi	Non – Executive Independent Director	Nil	Nil

All the Directors 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 received declarations from all the Independent Directors that they fulfill the conditions of independence prescribed in the Act as well as LODR Regulations. The Board after assessing their disclosures confirms that all the 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 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.

The Independent Directors are made aware of their roles, responsibilities and liabilities at the time of appointment

optimum combination of Executive and Non-Executive Directors and more than 50% of the Board comprises of Non-Executive Directors. 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"). The composition of the Board, category of the Directors, the number of shares and convertible instruments held by them as on March 31, 2020 are as under:

through a formal letter of appointment which stipulates the terms and conditions of their appointment. The Executive Director(s) and Senior Management of the Company regularly keep the Independent Directors updated about the Company, its business model, operations and the industry etc. The details of familiarisation programme imparted to the Independent Directors during the year are placed 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/Familiarization\\_Programmes\\_during-FY-2019-20.pdf](https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/fy-20/Familiarization_Programmes_during-FY-2019-20.pdf)

During the year one meeting of the Independent Directors was held on May 30, 2019 without the attendance of Non-Independent Directors and members of the management. Dr. Manohar Lal Singla, Chaired the meeting and all the Independent Directors attended 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 the 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 jewellery sector to provide strategic guidance to the management.

**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.

In the table below, the skills / expertise / competencies of individual Director have been highlighted. However, the absence of mark against a Director's name does not necessarily mean the Director does not possess the corresponding skill 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, ATTENDANCE, DIRECTORSHIPS AND THE COMMITTEES POSITIONS

During the year 5 Board meetings were held on May 11, 2019; May 30, 2019; August 9, 2019; November 14, 2019 and February 13, 2020. The time gap between any two Board meetings did not exceed 120 days. The Directors were provided all the relevant information and details required for taking informed decisions at the Board meetings.

The details of attendance of the Directors at the Board meetings, last Annual General Meeting ("AGM") held on September 30, 2019 along with the details of outside directorships, memberships / Chairmanships of Audit Committee and Stakeholders Relationship Committee in Indian public limited companies as well as directorships in other listed companies and category, as on March 31, 2020 are as under:

Name	Number of Board meetings attended	Attendance at last AGM	Number of outside directorships®	Number of outside committee memberships / Chairmanships		Directorships in other listed companies and category
				Member	Chairman	
Shri Balram Garg	5	Yes	4	Nil	Nil	Nil
Shri Ramesh Kumar Sharma	4	Yes	Nil	Nil	Nil	Nil
Dr. Manohar Lal Singla	5	Yes	Nil	Nil	Nil	Nil
Shri Krishan Kumar Khurana	5	Yes	Nil	Nil	Nil	Nil
Shri Miyar Ramanath Nayak	5	Yes	1	1	Nil	Asian Star Company Limited (Independent Director)
Shri Suresh Kumar Jain	3	Yes	2	3	2	Nil
Mrs. Sannovanda Machaiah Swathi	4	No	1	2	Nil	Simplex Castings Limited (Independent Director)



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

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. In compliance with Regulation 26 of LODR Regulations, all the Directors have made the disclosures regarding committee positions occupied by them.

## V) REMUNERATION OF THE DIRECTORS

The Non-Executive Directors are paid sitting fee of Rs.40,000/- for attending each meeting of the Board and Rs.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 the out-of-pocket expenses incurred by them for attending the meetings. The details of remuneration paid to the Directors during the year are as under:

(Rs. in Lakhs)

Name	Sitting Fee	Salary	Bonus / Ex-gratia	Commission / Pension / ESOP / Performance Linked Incentives	Total
Shri Balram Garg*	Nil	240.00	Nil	Nil	240.00
Shri Ramesh Kumar Sharma®	Nil	54.70	3.90	23.24	81.84
Dr. Manohar Lal Singla	2.80	Nil	Nil	Nil	2.80
Shri Krishan Kumar Khurana	3.30	Nil	Nil	Nil	3.30
Shri Miyar Ramanath Nayak	2.50	Nil	Nil	Nil	2.50
Shri Suresh Kumar Jain	1.30	Nil	Nil	Nil	1.30
Mrs. Sannovanda Machaiah Swathi	1.60	Nil	Nil	Nil	1.60

\* Voluntarily foregone remuneration w.e.f. August 1, 2019 till further communication.

@ Voluntarily reduced remuneration to Rs.3.25 lakhs per month w.e.f. November 1, 2019 till further communication.

During the year 72,175 equity shares were allotted to Shri Ramesh Kumar Sharma upon exercise of an equal number of stock options under PC Jeweller Limited Employee Stock Option Plan 2011. No stock options were granted to any other Directors.

None of the Non-Executive Directors has any pecuniary relationship or transactions vis-a-vis the Company during the year. No performance linked incentives were paid to any of the Directors.

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.

## VI) 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 of Shri Balram Garg, Managing Director, is attached to this report as **Annexure - 1**.

## COMMITTEES OF THE BOARD

### 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. The Company Secretary acts as the Secretary to 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 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 5 meetings of the Committee were held on May 11, 2019; May 30, 2019; August 9, 2019; November 14, 2019 and February 13, 2020. The number of meetings attended by the Committee members during the year are as under:

Name	Category	Number of meetings attended
Dr. Manohar Lal Singla	Chairman - Independent Director	5
Shri Krishan Kumar Khurana	Member - Independent Director	5
Shri Miyar Ramanath Nayak	Member - Independent Director	5
Shri Balram Garg	Member - Executive Director	5

Dr. Manohar Lal Singla, Chairman of the Committee was present at the last AGM of the Company held on September 30, 2019.

## II) NOMINATION AND REMUNERATION COMMITTEE

### A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of 3 Non-Executive Independent Directors and Shri Krishan Kumar Khurana 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 1 meeting of the Committee was held on May 30, 2019. The number of meeting attended by the Committee members during the year are as under:

Name	Category	Number of meetings attended
Shri Krishan Kumar Khurana	Chairman - Independent Director	1
Dr. Manohar Lal Singla	Member - Independent Director	1
Shri Suresh Kumar Jain	Member - Independent Director	1

Shri Krishan Kumar Khurana, Chairman of the Committee was present at the last AGM of the Company held on September 30, 2019.

## C) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Company has in place the Board approved criteria for evaluation of performance of the individual Directors including Independent Directors. The process of performance evaluation is based on evaluation forms, which include a rating mechanism. The criteria for annual performance evaluation of Independent Directors amongst others includes their attendance and contribution at meetings, devotion of time and effort to understand the Company, its business, their duties and responsibilities, impact and influence on the Board / Committees and adherence to the Code of Conduct etc. Performance of Independent Directors was evaluated by Nomination & 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 and Shri Krishan Kumar Khurana, Chairman of the Committee, is an Independent Director. 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 on May 11, 2019 and November 14, 2019. The number of meetings attended by the Committee members during the year are as under:

Name	Category	Number of meetings attended
Shri Krishan Kumar Khurana	Chairman - Independent Director	2
Shri Balram Garg	Member - Executive Director	2
Shri Ramesh Kumar Sharma	Member - Executive Director	1

Shri Krishan Kumar Khurana, Chairman of the Committee was present at the last AGM of the Company held on September 30, 2019.

**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, 2019	Received during the year 2019-20	Resolved during the year 2019-20	Complaints pending as on March 31, 2020
1	55	56	0

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

**IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**A) COMPOSITION AND TERMS OF REFERENCE**

The Committee comprises of 3 Directors including 2 Independent Directors. Dr. Manohar Lal Singla, Chairman of the Committee, is an Independent Director. 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.

**B) MEETINGS AND ATTENDANCE**

During the year 2 meetings of the Committee were held on August 9, 2019 and February 13, 2020. The number of meetings attended by the Committee members during the year are as under:

Name	Category	Number of meetings attended
Dr. Manohar Lal Singla	Chairman - Independent Director	2
Shri Krishan Kumar Khurana	Member - Independent Director	2
Shri Ramesh Kumar Sharma	Member - Executive Director	2

**V) MANAGEMENT & FINANCE COMMITTEE**

**A) COMPOSITION AND TERMS OF REFERENCE**

The Committee comprises of 3 Directors including 1 Independent Director. Shri Balram Garg 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 7 meetings of the Committee were held on April 3, 2019; April 24, 2019; May 27, 2019; June 26, 2019; October 1, 2019; December 23, 2019 and February 13, 2020. The number of meetings attended by the Committee members during the year are as under:

Name	Category	Number of meetings attended
Shri Balram Garg	Chairman - Executive Director	7
Shri Ramesh Kumar Sharma	Member - Executive Director	7
Shri Krishan Kumar Khurana	Member - Independent Director	2

## VI) SHARE TRANSFER COMMITTEE

### A) COMPOSITION AND TERMS OF REFERENCE

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

The terms of reference of the Committee, inter-alia, includes approval of transfer or transmission of equity shares or any other securities; approval of requests for remat / split / consolidation.

### B) MEETINGS AND ATTENDANCE

During the year 4 meetings of the Committee were held on April 12, 2019; May 3, 2019; May 11, 2019 and January 2, 2020. The number of meetings attended by

the Committee members during the year are as under:

Name	Category	Number of meetings attended
Shri Balram Garg	Chairman - Executive Director	4
Shri Ramesh Kumar Sharma	Member - Executive Director	3
Shri Krishan Kumar Khurana	Member - Independent Director	1

## VII) RISK MANAGEMENT COMMITTEE

### A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of 2 Directors and 1 Senior Executive of the Company. Shri Balram Garg is the Chairman of the Committee. The composition of the Committee and its terms of reference are in compliance with LODR Regulations.

The terms of reference of the Committee are to formulate, monitor and review Risk Management Policy / Plan; to assess / determine risk appetite and monitor risks (including cyber security risk); to report critical risks, if any, to Audit Committee annually; carrying out any other functions as the Board may decide from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

### B) MEETINGS AND ATTENDANCE

During the year 1 meeting of the Committee was held on February 13, 2020. The number of meeting attended by the Committee members during the year are as under:

Name	Category	Number of meetings attended
Shri Balram Garg	Chairman - Executive Director	1
Shri Ramesh Kumar Sharma	Member - Executive Director	1
Shri Kuldeep Singh	Member - Senior Executive	1

**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
2018-19	September 30, 2019 at 3:30 P.M.	Sri Sathya Sai International	None
2017-18	September 29, 2018 at 3:30 P.M.	Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003	1. Re-appointment of Shri Suresh Kumar Jain as an Independent Director. 2. Amendment in terms of borrowing powers of the Board.
2016-17	September 8, 2017 at 3:30 P.M.	Air Force Auditorium, Subroto Park, New Delhi -110010	None

**II) POSTAL BALLOT**

During the year 3 special resolutions viz. (1) Re-appointment of Dr. Manohar Lal Singla as an Independent Director; (2) Re-appointment of Shri Krishan Kumar Khurana as an Independent Director; and (3) Re-appointment of Shri Miyar Ramanath Nayak as an Independent Director were passed on September 11, 2019 through Postal Ballot Notice dated August 9, 2019.

Postal Ballot Notice and Postal Ballot Form alongwith self-addressed postage pre-paid business reply envelope were sent through permitted mode to Members and the Company completed dispatch of the same on August 12, 2019. In addition to voting by Postal Ballot Form, the Company also provided the facility to its Members to exercise their right

to vote by electronic means. E-voting was optional. The Company engaged the services of KFin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) as the Agency to provide e-voting facility.

Shri Randhir Singh Sharma, Practicing Company Secretary, was appointed as the Scrutinizer for conducting entire Postal Ballot process in a fair and transparent manner. The Company has complied with the procedure for Postal Ballot in terms of Section 108 and Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The details of voting pattern in respect of Special Resolutions passed are as under:

**(1) Re-appointment of Dr. Manohar Lal Singla as an Independent Director:**

Category	No. of shares held (1)	No. of votes polled (2)	No. of Votes - in favour (3)	No. of Votes - against (4)	% of Votes in favour on votes polled (5)=[(3)/(2)]*100	% of Votes against on votes polled (6)=[(4)/(2)]*100
Promoters and Promoter Group	183470096	134656500	134656500	0	100.0000	0.0000
Public – Institutions	50768495	38989498	38989498	0	100.0000	0.0000
Public – Non Institutions	160409396	617931	450130	167801	72.8447	27.1553
<b>Total</b>	<b>394647987</b>	<b>174263929</b>	<b>174096128</b>	<b>167801</b>	<b>99.9037</b>	<b>0.0963</b>

**(2) Re-appointment of Shri Krishan Kumar Khurana as an Independent Director:**

Category	No. of shares held (1)	No. of votes polled (2)	No. of Votes - in favour (3)	No. of Votes - against (4)	% of Votes in favour on votes polled (5)=[(3)/(2)]*100	% of Votes against on votes polled (6)=[(4)/(2)]*100
Promoters and Promoter Group	183470096	134656500	134656500	0	100.0000	0.0000
Public – Institutions	50768495	38989498	33996621	4992877	87.1943	12.8057
Public – Non Institutions	160409396	615877	445240	170637	72.2937	27.7063
<b>Total</b>	<b>394647987</b>	<b>174261875</b>	<b>169098361</b>	<b>5163514</b>	<b>97.0369</b>	<b>2.9631</b>



(3) Re-appointment of Shri Miyar Ramanath Nayak as an Independent Director:

Category	No. of shares held (1)	No. of votes polled (2)	No. of Votes - in favour (3)	No. of Votes - against (4)	% of Votes in favour on votes polled (5)=[(3)/(2)]*100	% of Votes against on votes polled (6)=[(4)/(2)]*100
Promoters and Promoter Group	183470096	134656500	134656500	0	100.0000	0.0000
Public – Institutions	50768495	38989498	33759668	5229830	86.5866	13.4134
Public – Non Institutions	160409396	623093	450033	173060	72.2257	27.7743
<b>Total</b>	<b>394647987</b>	<b>174269091</b>	<b>168866201</b>	<b>5402890</b>	<b>96.8997</b>	<b>3.1003</b>

No special resolution is proposed to be conducted through Postal Ballot on or before the forthcoming Annual General Meeting of the Company.

### SUBSIDIARY COMPANIES

Your Company has following wholly owned and step down subsidiary companies as on March 31, 2020:

- 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
- 6) Comercializadora Internacional PC Jeweller International S.A.S.

None of the aforesaid is a material subsidiary as defined under LODR Regulations. However, the Board has formulated a Policy on Material Subsidiaries, which is placed 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>

All the subsidiaries of the Company are managed by their respective Board of Directors / management in the best interest of the stakeholders. The requirements of LODR Regulations with regard to subsidiary companies have been complied with to the extent applicable.

### MD / CFO CERTIFICATION

The Certificate pursuant to Regulation 17(8) of LODR Regulations for the financial year ended March 31, 2020 by Shri Balam Garg, Managing Director and Shri Sanjeev Bhatia, Chief Financial Officer of the Company has been placed before the Board and the same is annexed as **Annexure - 2**.

### CERTIFICATE REGARDING NON-DEBARMENT OF DIRECTORS

M/s R S Sharma & Associates, Practicing Company Secretaries has

certified that 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 / Ministry of Corporate Affairs or any such statutory authority and the certificate is annexed as **Annexure - 3**.

### DISCLOSURES

#### I) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions during the year, which may have a potential conflict with the interest of the Company at large. Details of related party transactions have been disclosed in the notes forming part of the financial statements. The Board has formulated a Policy on Materiality of and Dealing with Related Party Transactions, which is placed 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-Transactions.pdf>

#### II) ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with the accounting principles applicable in India including the 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) 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.

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

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

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

There have been no instances of non-compliances by the Company and no penalty or stricture was imposed on the Company by any stock exchange or Securities and Exchange Board of India (“SEBI”) or any statutory authority, on any matter related to capital markets, during the last three years.

**VI) SEBI SETTLEMENT ORDER**

During the year, the Company has paid a settlement amount of Rs.19,12,500/- towards settlement of charges under SEBI settlement order dated November 5, 2019 pertaining to the matter relating to non-disclosure of the Bank’s objection to the proposed buy-back offer of the Company.

**VII) WHISTLE BLOWER POLICY**

The vigil mechanism as envisaged in the Act and Listing Regulations is implemented 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 etc. and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. No personnel have been denied access to the Chairman of Audit Committee. The Policy is placed 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>

**VIII) 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. A certificate from Practicing 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) **The Board:** The Company maintains a Chairman’s office. However, during the year the Company did not have any Chairman.
- b) **Shareholders Rights:** Quarterly financial results are published in leading newspapers and uploaded on the Company’s website as well as with BSE Limited and National Stock Exchange of India Limited.
- c) **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.
- d) **Reporting of internal auditor:** Internal Auditor reports to Managing Director and has direct access to Audit Committee.

**IX) PROHIBITION OF INSIDER TRADING**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) the Company has adopted ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information’ and ‘Code of Conduct to Regulate, Monitor and Report Trading by the Insiders’.

During the year, SEBI passed an impounding order dated December 17, 2019 against some entities including Shri Balram Garg, alleging violation of SEBI Act, 1992 and PIT Regulations. Shri Balram Garg is contesting the same in his individual capacity. The Company is not involved in this matter at all and its business operations remain unaffected by the same.

**X) 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:** Rs.1,688.77 crores



**b. Exposure of the Company to various commodities:**

Commodity Name	Exposure in INR towards the particular commodity	Exposure in quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		Export Market		Total
			OTC	Exchange	OTC	Exchange	
Bullion (Gold)	1,679.19 crores	4,532.57 Kg	-	-	-	-	-
Silver	9.58 crores	1,957.93 Kg	-	-	-	-	-

- 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 Forex & Commodity Risk Management Policy in place.

**MEANS OF COMMUNICATION**

The financial results of the Company are submitted with BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) electronically through BSE Listing Centre and NEAPS respectively and also posted on the Company’s website www.pcjeweller.com. These are also published / being published in the leading newspapers Financial Express (English) and Jansatta (Hindi) (First Quarter), Business Standard (English and Hindi) (Second Quarter) and Mint (English) and Hindustan (Hindi) (Third and Fourth Quarters).

Annual reports, notices of the meetings and other communications to Members are sent through e-mail, post or courier. However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 20/2020 dated May 5, 2020 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, Annual Report for FY 2019-20 including Notice of 15<sup>th</sup> AGM of the Company is being sent to

Members at their registered e-mail Id’s in accordance with MCA and SEBI Circulars.

Management presentations, 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.

**GENERAL SHAREHOLDER INFORMATION**

**I) ANNUAL GENERAL MEETING**

Day & Date : Friday, August 7, 2020  
 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 Directors have not recommended any dividend for the year.

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

Name of the Stock Exchange	Address	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 2020-21 to both the exchanges.



**VI) MARKET PRICE DATA**

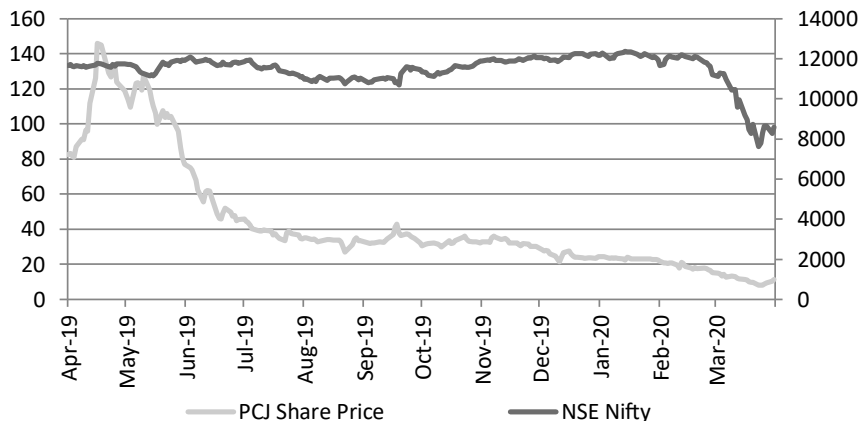
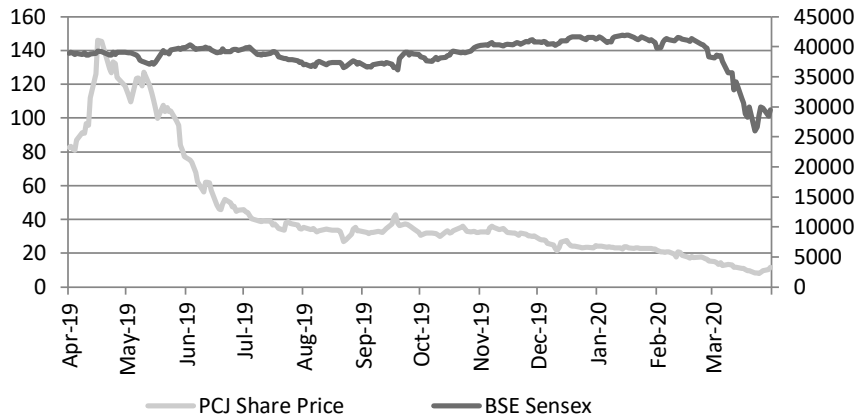
The monthly high and low prices of the equity shares of the Company at BSE and NSE during the year are as under:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2019	167.60	80.50	163.50	80.50
May, 2019	133.00	73.00	132.80	72.90
June, 2019	78.20	43.70	78.15	42.20
July, 2019	46.75	33.30	46.70	33.25
August, 2019	36.15	24.15	36.15	24.15
September, 2019	44.90	31.25	44.95	31.25
October, 2019	36.80	28.25	36.80	28.20
November, 2019	36.75	29.55	36.80	29.55
December, 2019	30.50	20.60	30.25	20.60
January, 2020	24.90	22.00	24.95	21.95
February, 2020	23.00	15.30	22.90	15.25
March, 2020	16.10	7.80	16.20	7.75

(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 is as under:





### VIII) REGISTRAR AND TRANSFER AGENT

KFin Technologies Private Limited ("KFin") (erstwhile Karvy Fintech Private Limited)  
Selenium Tower B, Plot No. 31 & 32, Financial District,  
Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 (Telangana)  
Tel: 040 – 67162222, Fax: 040 – 23001153, E-mail: einward.ris@kfintech.com

### IX) SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of Listing 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 this and to eliminate all 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 through the depositories without any involvement of the Company.

### X) DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the Company as on March 31, 2020 is as under:

Number of Shares	Shareholders		Equity Shares	
	Number	As a % of total	Number	As a % of total
1 - 500	197191	79.43	26294077	6.66
501 - 1000	22960	9.25	17923084	4.54
1001 - 2000	13690	5.51	20428104	5.17
2001 - 3000	5176	2.09	13098264	3.32
3001 - 4000	2437	0.98	8678486	2.20
4001 - 5000	1662	0.67	7730121	1.96
5001 - 10000	3009	1.21	21532635	5.45
10001 & Above	2119	0.85	279318111	70.71
<b>Total</b>	<b>248244</b>	<b>100.00</b>	<b>395002882</b>	<b>100.00</b>

### XI) SHAREHOLDING PATTERN

The shareholding pattern of the Company as on March 31, 2020 is as under:

Category of Shareholders	Number of Shareholders	Number of Equity Shares	% of Shares
<b>A) Promoter &amp; Promoter Group</b>			
Individuals & HUF (Indian)	5	183470096	46.45
<b>Total Promoter &amp; Promoter Group Shareholding (A)</b>	<b>5</b>	<b>183470096</b>	<b>46.45</b>
<b>B) Public Shareholding</b>			
<b>1) Institutions:</b>			
Mutual Funds	2	20149	0.01
Financial Institutions & Banks	4	8159692	2.07
Foreign Portfolio Investors	45	8864583	2.24
<b>Sub-Total B(1)</b>	<b>51</b>	<b>17044424</b>	<b>4.32</b>
<b>2) Non-Institutions:</b>			
Bodies Corporate	474	19137921	4.85
Individuals & HUF	245837	166631988	42.18
Non Resident Indians	1700	5240625	1.33
Clearing Members	173	3450078	0.87
NBFC	3	2750	0.00
Trusts	1	25000	0.01
<b>Sub-Total B(2)</b>	<b>248188</b>	<b>194488362</b>	<b>49.24</b>
<b>Total Public Shareholding B = B(1)+B(2)</b>	<b>248239</b>	<b>211532786</b>	<b>53.55</b>
<b>Grand Total (A+B)</b>	<b>248244</b>	<b>395002882</b>	<b>100.00</b>

**XII) DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The equity shares of the Company are compulsorily 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, 2020 total of 39,50,01,946 equity shares constituting almost 100% of the issued, subscribed and paid-up equity share capital of the Company, were held in dematerialized form in the following manner:

<b>Name of the Depository</b>	<b>Number of Equity Shares</b>	<b>(%)</b>
National Securities Depository Limited	17,10,60,708	43.31
Central Depository Services (India) Limited	22,39,41,238	56.69

**XIII) 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 and nothing is outstanding as on March 31, 2020.

**XIV) DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the year, the Company had neither received any complaint on sexual harassment nor was any complaint pending as on March 31, 2020.

**XV) FEES PAID TO STATUTORY AUDITORS**

Total fee ( including re-imburement of expenses) for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditor is a part for the financial year 2019-20 was Rs 1.30 crore.

**XVI) CREDIT RATINGS**

The details of Credit Ratings held by the Company during the year are as under:

<b>Agency</b>	<b>Instrument</b>	<b>Date</b>	<b>Rating</b>
<b>CRISIL Limited</b>	Fund-based Bank Facilities	21/05/2019	CRISIL BBB+
		07/06/2019	CRISIL BB+
		06/12/2019	CRISIL D
	Non Fund-based Bank Facilities	21/05/2019	CRISIL BBB+
		07/06/2019	CRISIL BB+
		06/12/2019	CRISIL D
<b>CARE Ratings Limited</b>	Fixed Deposit Programme	21/05/2019	CARE BBB (FD)
		10/06/2019	CARE BB+ (FD)
		26/11/2019	CARE B (FD)
		10/12/2019	CARE D (FD)

**XVII) PLANT LOCATIONS**

As on March 31, 2020 the Company is having 4 jewellery manufacturing units at the following locations:

- 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)

**XVIII) 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 Board members 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, 2020.

For **PC Jeweller Limited**

Date: June 12, 2020  
Place: Delhi

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

## MD / CFO CERTIFICATE

ANNEXURE – 2

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

**Sub.: 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, 2020 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, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same.
- d) We have indicated to the auditors and Audit Committee:
  - i) significant changes, if any, in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **PC Jeweller Limited**

Date: June 29, 2020  
Place: 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, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment in Company
1	Shri Balram Garg	00032083	13/04/2005
2	Shri Ramesh Kumar Sharma	01980542	07/02/2014
3	Dr. Manohar Lal Singla	03625700	20/09/2011
4	Shri Krishan Kumar Khurana	00253589	20/09/2011
5	Shri Miyar Ramanath Nayak	03352749	07/02/2014
6	Shri Suresh Kumar Jain	05103064	19/09/2015
7	Mrs. Sannovanda Machaiah Swathi	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 **R S Sharma & Associates**  
Company Secretaries

Place: New Delhi  
Date: June 29, 2020

Sd/-  
(RANDHIR SINGH SHARMA)  
**Proprietor**  
Membership No.: FCS2062  
C.P. No.: 3872  
UDIN: F002062B000426420



## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY OVERVIEW AND MARKET SIZE

Gems and jewellery industry plays a vital role in the Indian economy as it is one of the largest exporters and contributes a major chunk to the total foreign reserves of the country. India's gems and jewellery industry is one of the largest in the world contributing almost 29% to the global jewellery consumption. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour.

One of the fastest growing sectors, gems and jewellery industry is extremely export oriented and labour intensive. However, gems and jewellery exports have been recording a decelerating trends since the beginning of FY20 on account of various domestic as well as global challenges including rise in import duty on precious stones viz. polished diamonds and coloured gem stones, tightening of lending terms by banks, declining demand from export markets and withdrawal of GSP benefit by USA among others. To add to this, the spread of COVID-19 in key export markets such as USA, Europe, China, Hong Kong and U.A.E. has created further hurdles for this export oriented industry.

Gems and jewellery market comprises of gold, diamond studded and silver jewellery as well as precious and semi-precious gemstones and its jewellery. A major chunk of gold jewellery manufactured in India is for domestic consumption, whereas a major portion of polished diamonds or finished diamond jewellery is exported. India is the world's largest centre for cut and polished diamonds in the world and exports ~75% of the world's polished diamonds.

Cut and polished diamonds account for the highest and gold jewellery accounts for the second highest share in India's exports of gems and jewellery. In FY20 gross exports of gems and jewellery fell by 10% YoY to USD 35,531 million. Key commodities such as cut and polished diamonds, rough diamonds and coloured gemstones witnessed declining exports demand. However, other items such as gold jewellery, silver jewellery, articles of gold, silver and others witnessed positive growth. In FY20, India exported cut and polished diamonds worth USD 18,660 million and gold jewellery worth USD 11,993 million. U.A.E., USA and Hong Kong are the top three destinations for gems and jewellery exports from India, cumulatively contributing 78% share.

Total imports of gems and jewellery for FY20 declined by 6% YoY to USD 24,015 million. Key commodities such as rough diamonds and rough coloured gemstones registered a fall in imports growth, while items like gold bar, cut and polished diamonds, coloured gemstones, gold and silver jewellery witnessed positive imports growth in FY20. Switzerland is the largest import market with 26% share, followed by U.A.E. (21% share) and Belgium (16% share).

The Government of India has made hallmarking mandatory for gold jewellery and artefacts. A period of one year is provided for implementation i.e. till January, 2021.

### SEGMENT WISE PERFORMANCE

The Company is engaged in the business of manufacturing, sale and trading of jewellery. It offers a wide range of jewellery including 100% hallmarked gold jewellery, certified diamond jewellery and silver articles, with a focus on diamond jewellery and jewellery for weddings. Based on the geographical areas, the Company has two operating segments i.e. domestic sales and export sales. The share of domestic and export sales in the revenue from operations of the Company on standalone basis during FY2020 was Rs.4,280.62 crores (87%) and Rs.657.97 crores (13%) respectively. The segment wise revenue and results of the Company as on March 31, 2020 on standalone basis are as under:

	(Rs. in crores)
<b>Segment Revenue:</b>	<b>Amount</b>
a) Exports	657.97
b) Domestic	4,280.62
<b>Net sales / income from segment</b>	<b>4,938.59</b>
<b>Segment Results:</b>	
(Profit before tax and interest from each segment)	
a) Exports	39.08
b) Domestic	459.86
<b>Total profit before finance cost and unallocable expenditure</b>	<b>498.94</b>
<b>Less:</b>	
i) Finance costs	354.02
ii) Unallocable expenses, net	21.38
<b>Net profit before tax</b>	<b>123.54</b>

### OPPORTUNITIES AND THREATS

The jewellery sector in the country continues to remain poised for growth on account of its demographics as well as increasing urbanisation and income levels. The demand for jewellery is also expanding beyond the traditional marriage functions to a life style and fashion accessory as well. However, at the same time the traditional demand for jewellery continues to remain strong. The sector is witnessing changes in customer preferences due to adoption of western lifestyle and their demand for new designs and varieties in jewellery. 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 Indian middle class is expected to rise to 547 million by 2025 and this rise of young Indian middle class is expected to lead to an

increase in demand for gold. There is a huge opportunity in the online sale of jewellery. Although, this channel generally caters to low ticket items only, but as a consequence of disruptions caused by the ongoing pandemic COVID-19 scare, this channel is expected to gain traction and gain popularity with the customers for even higher category jewellery.

Rising global uncertainties in the recent months have led to investors resorting to gold and silver as their preferred asset class for investment. Due to this, prices of such precious metals peaked during the year. On an average, international (monthly) gold prices surged 16% YoY in FY20. The falling interest rate also helped grow investors' preference towards gold and silver.

Challenges for the sector have gravely after the outbreak of COVID-19 in China which has taken a shape of pandemic and caused stalled manufacturing and trading activities, cancellation of business events, deferment of committed order positions, reduced demand, elongation of receivables etc. in the sector.

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 wedding jewellery. This increase in demand requires additional investment in inventory. Also 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**

The gold jewellery demand had already slowed down in FY20 in the tonnage and revenue terms due to the economic slowdown and increased gold prices. The Indian GDP growth during the FY20 was only 4.2%, which is the lowest number during the past eleven years. The possibility of a recovery of demand in FY21 has been derailed by COVID-19 led lockdown and the subsequent continued economic slowdown in the country. All the rating agencies are predicting a shrinkage in the country's GDP during the current fiscal. This can have a prolonged negative impact on gold demand because of the possibility of a further reduction in the overall discretionary spend. The volatility in gold prices is also expected to hurt consumer sentiments.

Near term prospects for the industry are not too bright owing to the economic slowdown impacting disposable incomes negatively and leading to low consumer sentiments. Gradual recovery is expected from Q3 FY21 onwards, which marks the onset of the festival and wedding season.

However, long term prospects for the industry remain stable owing to cultural affinity towards jewellery, especially gold jewellery, growing consciousness of branded jewellery, increasing purchasing power in the Tier 2 and 3 cities, growing population

of working females and a growing preference towards diamond jewellery.

In the coming years, growth in gems and jewellery sector would be largely contributed by the development of large retailers / brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Online sale are expected to account for 1-2 per cent of the fine jewellery segment by FY22.

## **RISKS AND CONCERNS**

The gems and jewellery industry is facing increasing pressures on borrowings due to cautious and reduced bank lending. Such cautious bank lending can create further stress on the liquidity for the sector.

Relatively long operating cycle and working capital intensive nature of business is an inherent characteristic of the gems and jewellery industry. Economic slowdown, weakening demand from main importing nations and stress on working capital are some of the key challenges faced by this industry currently.

Currently the sales of the Company are adversely impacted due to outbreak of COVID-19 and the prevailing lockdown conditions. The Company has already lost the sales of the Navratras, Akshay Tritiya as well of summer wedding season. Though the lock down is now being relaxed gradually the consumer sentiments and the footfalls are expected to remain muted for the coming few months and the situation is expected to start returning to normal only in Q3 FY21. However, the complete FY21 expected to be a de-growth year for the Company with emphasis on consolidation only.

The Company has well defined systems and procedures for managing its operational risks, which includes a system of movement of jewellery through specialised courier agency, strong rooms and CCTVs and armed guards at all its showrooms. The entire inventory of the Company is insured. The Company has cash pick up arrangements with leading banks, with transit insurance. The Company is also exposed to price risk movements both in gold as well as its forex exposure. However, it has put rigorous systems and procedures in place to take care of these concerns. The Company has in place a risk management framework that helps in anticipating, identifying and evaluating business risks and challenges across the Company and finding ways to mitigate them.

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

The Company has effective internal control systems in place, which are regularly reviewed by independent Internal Auditors of the Company and the internal audit 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 Auditors, Stock Auditors appointed by the Bank and Internal Auditors.

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 the 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, 2020. The Company's internal financial controls over

financial reporting continue to operate effectively even during the lockdown.

#### 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. The salient parameters of the standalone financial performance of the Company during the year under review as compared to previous year are as under:

Particulars	(Rs. in crores except earnings per share)	
	2019-20	2018-19
Revenue from operations	4,938.59	8,368.85
Total revenue	5,016.04	8,461.17
Total expenses	4,892.50	8,458.41
Profit before tax	123.54	2.76
Tax expense	45.04	5.57
Net profit/(loss) after tax	78.50	(2.81)
Total comprehensive income/(loss)	79.35	(2.48)
Earnings per equity share (Rs.)		
- Basic	1.99	(0.07)
- Diluted	1.98	(0.07)

During the year under review, the revenue from operations of the Company on standalone basis was reduced to Rs.4,938.59 crores in comparison to Rs.8,368.85 crores during previous financial year. However, the Company once again turned profitable with net profit after tax of Rs.78.50 crore as compared to net loss of Rs.2.81 crore during previous financial year.

#### 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	2019-20	2018-19	% Change	Explanations
Debtors Turnover	Times	2.78	4.74	(41.35)	The decline is on account of reduction in turnover and realization of export receivables due to disruption of business operations on account of COVID-19.
Inventory Turnover	Times	0.96	1.65	(41.82)	The decline is on account of reduction in turnover due to COVID-19 and decline in export sales.
Interest Coverage Ratio	Times	1.33	1.01	31.68	The improvement is due to increase in EBITDA.
Current Ratio	Times	1.98	1.97	0.51	Not Applicable
Debt Equity Ratio	Times	0.83	0.82	1.22	Not Applicable
Operating Profit Margin	%	9.97	4.10	143.17	The operating margins have increased on account of improvement in export margins.
Net Profit Margin	%	1.59	(0.03)	5,400.00	From net loss in 2018-19, the Company has turned profitable once again during 2019-20.
Return on Net Worth	%	1.96	(0.07)	2,900.00	

#### HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company acknowledges that its principal asset is its employees and believes in establishing and building a strong performance and competency driven culture amongst its employees with greater sense of accountability and responsibility. As on March 31, 2020 the Company had 1749 full time employees. The industrial relations within the Company have remained harmonious throughout the year.

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



# 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 Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
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 ('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 state of affairs of the Company as at 31 March 2020 and its profit (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 previous 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 ₹89.69 crore. For the remaining discounts of ₹ 423.96 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 financial statements. Our opinion for the year ended 31 March 2019 was also qualified in respect of this matter.
4. We conducted our audit in accordance with the Standards on Auditing 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 Financial Statements section of our report. We are independent of the

Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matters - Impact of COVID 19 on financial statements and compliances with laws and regulations

5. We draw attention to note 50 to the accompanying standalone financial statements, which describes the impact of COVID-19 pandemic on the Company's operations. 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.
6. 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 ₹ 794.07 crore outstanding as on 31 March 2020, 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.

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, 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 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.


**Independent Auditor's Report to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2020 (cont'd)**

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 ₹ 5,258.84 crore as at 31 March 2020, 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. For diamond jewellery items purchased from the customers under the exchange scheme, the Company involves independent professional gemologist to determine the correct cost category of such items.</p> <p>Due to outbreak of the COVID-19, there has been a lockdown enforced in various geographies near year end and several restrictions were imposed by the government on travel which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This was resolved by applying alternate audit techniques with the help of audio/video devices, etc. as further described in our audit procedures.</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, including the changes required thereto as a result of COVID-19 related restrictions, and 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>• Inspected the instructions given by supervisory teams to the management count teams.</li> <li>• Assessed the appropriateness of accounting policy and management valuation methodology adopted by the management.</li> <li>• Evaluated the professional competence, objectivity and professional experience and competence of the gemologist used 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 management physical verification records and inventory reconciliation performed by the management as at the year end.</li> <li>• Inspected reports of physical verification done by gemologists appointed by the lenders of the Company for corroborative evidence.</li> <li>• Performed independent test counts / observed live video feeds of inventory 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 used as an auditor's expert.</li> <li>• Obtained the category-wise inventory reconciliation from the management and tested the same on sample basis.</li> <li>• On a sample basis, tested samples of inventory sold before year-end and subsequent to year-end to corroborate management's assessment of net realizable value of closing inventory balance.</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>

**Independent Auditor's Report to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2020 (cont'd)**

<p><b>Recoverability of investments, loans and short-term financial assets, given to/due from subsidiary companies</b></p> <p>The Company has investments of ₹ 136.30 crore, long-term loans amounting to ₹ 123.05 crore and short-term financial assets of ₹ 87.06 crore recoverable from five wholly-owned subsidiary companies as at 31 March 2020.</p> <p>The investment in the aforesaid subsidiaries are accounted for at cost in accordance with Ind AS 27, Separate Financial Statements. The Company assesses the recoverable amount of the investment when impairment indicators exist by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date.</p> <p>The loans given to, and the short-term financial assets recoverable from, such subsidiary companies are accounted for as per Ind AS 109, Financial Instruments.</p> <p>Refer note 3(h) for the accounting policy disclosed in the accompanying financial statements.</p> <p>Owing to the current operations of three of the subsidiary companies with aggregate carrying value of investments, long-term loans and short-term financial assets amounting to ₹ 212.50 crore as at 31 March 2020, the management has performed an impairment assessment and has estimated the recoverable amount of its investment in the subsidiaries using '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. The key assumptions underpinning management's assessment of the fair valuation include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure.</p> <p>Basis the valuation performed as above, during the year, the Company has recorded ₹6.81 crore as provision for impairment in the short-term financial assets of the subsidiary, PC Universal Private Limited, as disclosed in note 53 to the accompanying financial statements. As at 31 March 2020, the provision for impairment in the value of investments and short-term financial assets amounts to ₹0.05 crore and ₹ 21.05 crore respectively.</p> <p>Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in either impairment of the investments or the loans given to these subsidiaries.</p> <p>Accordingly, considering the materiality, complexity and significance of judgement involved, the fair valuation of aforesaid investments has been considered to be a key audit matter for current year's audit.</p>	<p>Our audit procedures in relation to the valuation of the investments, loans and short-term financial assets given to/due from subsidiary companies included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management's processes and controls for determining the fair valuation of long term loans, investments and short term financial assets.</li> <li>• Evaluated the design of and tested the operating effectiveness of the key controls around the fair valuation of the loan and investment including controls around cash flow projections.</li> <li>• Evaluated the professional competence, expertise and objectivity of the valuation specialist used by the management.</li> <li>• Assessed the appropriateness of the valuation methodology used to arrive at the estimated fair value of the investments using an auditor's expert;</li> <li>• Tested the accuracy of the input data provided by the management to the valuation specialist by reconciling the projected cash flows to approved business plans of the investee company.</li> <li>• Tested the reasonableness of the key assumptions used in the cash flow projections and fair valuation, such as growth rates, targeted savings, discount rate, etc. considering our understanding of the business, industry and relevant market factors, including the possible impact of COVID -19 pandemic on such assumptions.</li> <li>• Obtained and evaluated the reasonableness of sensitivity analysis performed by the management on aforesaid key assumptions and performed further independent sensitivity analysis to determine impact of estimation uncertainty on the fair valuation.</li> <li>• Tested the mathematical accuracy of the cash flow projections, fair valuation computation and resulting impairment recorded in the current year.</li> <li>• Evaluated the appropriateness and adequacy of disclosures made in the financial statement in relation to such investments and their fair valuation as required by applicable accounting standards.</li> </ul>
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**Independent Auditor's Report to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2020 (cont'd)**

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

9. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, in the absence of requisite approvals and material evidence related to discount to export customers, we are unable to comment on the impact, if any, of the same on the accompanying standalone financial statements. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Management Discussion and Analysis and Directors' Report affected by the absence of requisite approvals and material evidence relating to the aforementioned transaction.

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

10. 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.

11. In preparing the 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.
12. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the 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 financial statements.
14. As part of an audit in accordance with Standards on Auditing, 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

**Independent Auditor's Report to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2020 (cont'd)**

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 control 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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 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**

18. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
19. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
20. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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,

**Independent Auditor's Report to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2020 (cont'd)**

- 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 2020 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 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 June 2020 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(b), 44(c) and 44(d) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as
- at 31 March 2020;
- 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 2020;
- 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 2020; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rajni Mundra**

Partner

Membership No.: 058644

UDIN: 20058644AAAABI8453

**Place:** New Delhi

**Date:** 29 June 2020

**Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweler Limited, on the standalone financial statements for the year ended 31 March 2020**

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE').
- (b) The PPE 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 is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, 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. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of

loans and investments. 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 2020 is short by ₹ 4.85 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 provident fund, employees' state insurance, income-tax, goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. 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:

**Statement of arrears of statutory dues outstanding for more than six months**

Name of the statute	Nature of the dues	Amount (₹ in crore)	Period to which the amount relates	Due Date	Date of Payment
Income-tax Act, 1961	Income-tax (including interest)	100.92	Financial year 2017-18	15 March 2018	Not yet paid
Income-tax Act, 1961	Income-tax (including interest)	5.11	Financial year 2018-19	15 March 2019	Not yet paid


**Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweler Limited, on the standalone financial statements for the year ended 31 March 2020**

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

**Statement of disputed dues**

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	0.19	-	Assessment Year ('AY') 2009-10	Income-tax Appellate Tribunal ('ITAT')
Income-tax Act, 1961	Income-tax	0.85	-	AY 2013-14	ITAT
Income-tax Act, 1961	Income-tax	4.43	-	AY 2014-15	ITAT
Customs Act, 1962	Custom duty	2.43	2.43	Financial year ('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
Rajasthan Value Added Tax Act, 2003	Value added tax	0.44	-	FY 2011-12	The Rajasthan High Court
Rajasthan Value Added Tax Act, 2003	Value added tax	0.50	-	FY 2012-13	The Rajasthan High Court
Rajasthan Value Added Tax Act, 2003	Value added tax	2.73	-	FY 2013-14	The Rajasthan High Court
Rajasthan Value Added Tax Act, 2003	Value added tax	2.31	-	FY 2014-15	The Rajasthan High Court
Rajasthan Value Added Tax Act, 2003	Value added tax	2.21	-	FY 2015-16	The Rajasthan High Court

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or bank during the year. The Company did not have any loans or borrowings payable to government and further, did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rajni Mundra**

Partner

Membership No.: 058644

UDIN: 20058644AAAABI8453

**Place:** New Delhi

**Date:** 29 June 2020



**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 2020****Annexure B****Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of PC Jeweller Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. 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**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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

**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 2020**

financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. 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**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial

statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rajni Mundra**

Partner

Membership No.: 058644

UDIN: 20058644AAAABI8453

**Place:** New Delhi

**Date:** 29 June 2020

## STANDALONE BALANCE SHEET AS AT 31 MARCH 2020

(₹ in crore)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>A Assets</b>			
<b>1 Non-current assets</b>			
a) Property, plant and equipment	4	45.15	59.18
b) Right-of-use assets		105.91	-
c) Intangible assets under development		0.75	0.45
d) Financial assets			
i) Investments	5	136.25	135.23
ii) Loans	6	149.84	157.27
iii) Other financial assets	7	1.02	3.68
e) Deferred tax assets (net)	8	46.71	36.99
f) Other non-current assets	9	14.95	22.86
<b>Total non-current assets</b>		<b>500.58</b>	<b>415.66</b>
<b>2 Current assets</b>			
a) Inventories	10	5,258.84	4,988.11
b) Financial assets			
i) Investments	11	7.53	8.39
ii) Trade receivables	12	1,780.55	1,773.00
iii) Cash and cash equivalents	13	14.71	82.73
iv) Bank balance other than (iii) above	14	212.20	236.15
v) Loans	6	36.25	36.48
vi) Other financial assets	7	0.02	47.24
c) Other current assets	9	70.89	76.28
<b>Total current assets</b>		<b>7,380.99</b>	<b>7,248.38</b>
<b>Total assets</b>		<b>7,881.57</b>	<b>7,664.04</b>
<b>B Equity and Liabilities</b>			
<b>1 Equity</b>			
a) Equity share capital	15	395.00	394.65
b) Other equity	16	3,607.03	3,541.84
<b>Total equity</b>		<b>4,002.03</b>	<b>3,936.49</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	0.66	11.58
ii) Lease liabilities		101.78	-
b) Provisions	18	44.09	45.00
<b>Total non-current liabilities</b>		<b>146.53</b>	<b>56.58</b>
<b>3 Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	2,282.40	2,090.65
ii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		1.49	0.58



	Notes	As at 31 March 2020	As at 31 March 2019
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,079.56	1,264.28
iii) Lease liabilities		29.85	-
iv) Other financial liabilities [other than those specified in item (c)]	21	110.16	52.39
b) Other current liabilities	22	100.61	173.88
c) Provisions	18	2.81	2.27
d) Current tax liabilities (net)	23	126.13	86.92
<b>Total current liabilities</b>		<b>3,733.01</b>	<b>3,670.97</b>
<b>Total liabilities</b>		<b>3,879.54</b>	<b>3,727.55</b>
<b>Total equity and liabilities</b>		<b>7,881.57</b>	<b>7,664.04</b>

Notes 1 to 53 form an integral part of these standalone financial statements.

This is the standalone balance sheet referred to in our For and on behalf of the Board of Directors report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

**Place:** New Delhi  
**Date:** 29 June 2020

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
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 PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in crore)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
1 Revenue from operations	24	4,938.59	8,368.85
2 Other income	25	77.45	92.32
3 Total income (1+2)		<b>5,016.04</b>	<b>8,461.17</b>
4 Expenses			
a) Cost of materials consumed	26	4,611.37	7,925.02
b) Purchases of stock-in-trade	27	20.51	12.41
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(337.85)	(148.92)
d) Employee benefits expense	29	71.57	112.40
e) Finance costs	30	368.88	340.39
f) Depreciation and amortisation expenses	31	34.66	16.75
g) Other expenses	32	123.36	200.36
<b>Total expenses</b>		<b>4,892.50</b>	<b>8,458.41</b>
5 Profit before tax (3-4)		<b>123.54</b>	<b>2.76</b>
6 Tax expense:			
a) Current tax	33	47.68	23.82
b) Deferred tax	8	(2.64)	(18.25)
<b>Total tax expense</b>		<b>45.04</b>	<b>5.57</b>
7 Profit/(loss) for the year		<b>78.50</b>	<b>(2.81)</b>
8 Other comprehensive income:			
(i) Items that will not be reclassified to profit or loss:			
-Remeasurement of post employment benefit obligations		1.14	0.51
(ii) Income-tax relating to items that will not be reclassified to profit or loss		(0.29)	(0.18)
<b>Other comprehensive income for the year, net of tax</b>		<b>0.85</b>	<b>0.33</b>
9 Total comprehensive income/(loss) for the year (7+8)		<b>79.35</b>	<b>(2.48)</b>
10 Earnings per equity share: (face value of ₹ 10 per share)	34		
Basic earnings per share (in ₹)		1.99	(0.07)
Diluted earnings per share (in ₹)		1.98	(0.07)

Notes 1 to 53 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 **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

**Place:** New Delhi  
**Date:** 29 June 2020

For and on behalf of the Board of Directors

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
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 2020

### 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 2018</b>	15	<b>394,355,200</b>	<b>394.36</b>
Changes in equity share capital during the year		292,787	0.29
<b>Balance as at 31 March 2019</b>	15	<b>394,647,987</b>	<b>394.65</b>
Changes in equity share capital during the year		354,895	0.35
<b>Balance as at 31 March 2020</b>	15	<b>395,002,882</b>	<b>395.00</b>

### B Other equity:

Particulars	Reserves and surplus				(₹ in crore)
	Securities premium	General reserve	Share options outstanding account	Retained earnings	Total
<b>Balance as at 1 April 2018</b>	<b>898.83</b>	<b>54.54</b>	<b>15.37</b>	<b>2,562.70</b>	<b>3,531.44</b>
Loss for the year	-	-	-	(2.81)	(2.81)
Other comprehensive income for the year (net of income tax)	-	-	-	0.33	0.33
<b>Total comprehensive income for the year</b>	<b>898.83</b>	<b>54.54</b>	<b>15.37</b>	<b>2,560.22</b>	<b>3,528.96</b>
Share option expense for the year	-	-	39.80	-	39.80
Transactions with owners in their capacity as owners:					
Issue of bonus shares	(0.14)	-	-	-	(0.14)
Issue of equity shares	12.76	-	(12.76)	-	-
Dividends distributed to equity shareholders	-	-	-	(19.73)	(19.73)
Dividend distribution tax on dividend paid to equity shareholders	-	-	-	(4.05)	(4.05)
Dividend distribution tax on dividend paid to preference shareholders	-	-	-	(3.00)	(3.00)
<b>Balance as at 31 March 2019</b>	<b>911.45</b>	<b>54.54</b>	<b>42.41</b>	<b>2,533.44</b>	<b>3,541.84</b>
Profit for the year	-	-	-	78.50	78.50
Other comprehensive income for the year (net of income tax)	-	-	-	0.85	0.85
<b>Total comprehensive income for the year</b>	<b>911.45</b>	<b>54.54</b>	<b>42.41</b>	<b>2,612.79</b>	<b>3,621.19</b>
Share option expense for the year	-	-	8.82	-	8.82
Ind-AS 116 transition adjustments (net of adjustment of deferred tax)	-	-	-	(22.84)	(22.84)
Transactions with owners in their capacity as owners:					
Issue of bonus shares	(0.14)	-	-	-	(0.14)
Issue of equity shares	14.67	-	(14.67)	-	-
<b>Balance as at 31 March 2020</b>	<b>925.98</b>	<b>54.54</b>	<b>36.56</b>	<b>2,589.95</b>	<b>3,607.03</b>

Notes 1 to 53 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 **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

Place: New Delhi  
Date: 29 June 2020

For and on behalf of the Board of Directors

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
DIN-01980542

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

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

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

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Particulars	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>A Cash flow from operating activities:</b>		
Profit before tax	123.54	2.76
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	34.66	16.75
Share based payments to employees	7.84	38.44
Interest income on fixed deposit	(13.53)	(40.21)
Interest income on loans given to subsidiaries and body corporate	(7.57)	(15.34)
Net (profit)/loss on disposal of property, plant and equipment	(0.46)	7.32
Income from investments (net)	(0.03)	(0.84)
Finance costs	354.00	333.01
Unwinding of discount on security deposits	(1.04)	0.23
Profit on modification of lease	(3.05)	-
Unrealised gain on foreign exchange	(41.46)	(116.58)
Adjustment due to fair valuation of gold loan at unfixed prices	(16.12)	10.36
Fair valuation adjustment of forwards contracts	0.02	(1.16)
Straight lining of lease expense	-	(1.48)
Provision on advance to suppliers	-	1.68
Provision for impairment of loan to subsidiary	6.81	14.29
Advances written off (net of provision for doubtful advance)	3.16	1.23
Provision for expected credit loss on trade receivables	40.45	22.11
Bad debts written off	0.35	-
<b>Operating profit before working capital changes</b>	<b>487.57</b>	<b>272.57</b>
<b>Adjustments for:</b>		
(Increase)/decrease in inventories	(270.73)	173.17
Decrease in financial assets	51.40	14.28
Decrease in non-financial assets	10.14	20.02
Decrease in trade receivables	85.20	23.32
Decrease in trade payables	(207.28)	(2,297.98)
Decrease in financial liabilities	(17.70)	(14.18)
Decrease in non-financial liabilities	(70.82)	(10.12)
(Decrease)/increase in provisions	0.77	0.65
<b>Cash generated from/(used in) operating activities</b>	<b>68.55</b>	<b>(1,818.27)</b>
Direct taxes paid	(8.47)	(18.87)
<b>Net cash generated from/(used in) operating activities</b>	<b>60.08</b>	<b>(1,837.14)</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment including capital advances	(1.46)	(7.71)
Proceeds from disposal of property, plant and equipment	0.18	1.31
Redemption of current investments, net	0.89	11.08
Investment in shares of subsidiary	(0.05)	-
Loans repaid/(given to) by body corporate including subsidiary companies	2.39	(33.57)
Interest received	14.67	48.30
Redemption of fixed deposits, net	23.95	866.80
<b>Net cash generated from investing activities</b>	<b>40.57</b>	<b>886.21</b>



Particulars	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>C Cash flow from financing activities:</b>		
Repayment of long term loans	(17.86)	(33.45)
Proceeds from allotment of employee stock options	0.21	0.15
Proceeds of short term borrowings, net	191.75	1,065.68
Dividends paid including corporate dividend tax	-	(40.90)
Payment of lease liabilities	(32.54)	-
Interest paid	(310.23)	(340.56)
<b>Net cash (used in)/generated from financing activities</b>	<b>(168.67)</b>	<b>650.92</b>
<b>D</b> Net decrease in cash and cash equivalents (A+B+C)	(68.02)	(300.01)
<b>E</b> Cash and cash equivalents as at the beginning of the year	82.73	382.74
<b>F Cash and cash equivalents as at the end of the year (refer note 13)</b>	<b>14.71</b>	<b>82.73</b>
		-
<b>Components of cash and cash equivalents:</b>		
Balances with banks - in current accounts	2.09	16.00
Cheques on hand	0.45	1.55
Cash on hand	10.20	12.04
Deposits with original maturity of less than 3 months	1.97	53.14
	<b>14.71</b>	<b>82.73</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 53 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 **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

**Place:** New Delhi  
**Date:** 29 June 2020

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
DIN-01980542

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

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

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



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 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 manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items. 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 2020 were authorised and approved for issue by the Board of Directors on 29 June 2020. 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.

#### Standards issued but not effective

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1 April 2020.

### 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



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 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) **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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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:

Asset category	Estimated useful life (in years)
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.

### *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.

## f) Leases

### **Transition**

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective

method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

Refer note 45 for details on transition.

### **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



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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, 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 if 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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 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



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.
- 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. 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. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. 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 in 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.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 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 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 or near the reporting date 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.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 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 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.

### 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 FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 4: PROPERTY, PLANT AND EQUIPMENT**

									(₹ in crore)
Particulars	Freehold land	Buildings	Leasehold improvements	Plant and equipments	Office equipments	Computers	Furniture and fixtures	Vehicles	Total
<b>Gross block</b>									
<b>As at 1 April 2018</b>	<b>7.58</b>	<b>3.11</b>	<b>80.96</b>	<b>5.57</b>	<b>24.27</b>	<b>5.31</b>	<b>6.58</b>	<b>7.14</b>	<b>140.52</b>
Additions	-	-	4.32	0.88	1.17	0.38	0.48	0.03	<b>7.26</b>
Disposals	-	-	(17.16)	(0.03)	(2.12)	(0.07)	(0.66)	(0.28)	<b>(20.32)</b>
<b>As at 31 March 2019</b>	<b>7.58</b>	<b>3.11</b>	<b>68.12</b>	<b>6.42</b>	<b>23.32</b>	<b>5.62</b>	<b>6.40</b>	<b>6.89</b>	<b>127.46</b>
Additions	-	-	0.66	0.02	0.17	0.11	-	0.20	<b>1.16</b>
Disposals	-	-	(0.50)	-	(0.46)	(0.05)	(0.05)	(0.69)	<b>(1.75)</b>
<b>As at 31 March 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>
<b>Accumulated depreciation</b>									
<b>As at 1 April 2018</b>	-	<b>0.80</b>	<b>33.68</b>	<b>2.29</b>	<b>17.31</b>	<b>3.25</b>	<b>3.33</b>	<b>2.56</b>	<b>63.22</b>
Charge for the year	-	0.22	9.34	0.61	3.51	0.93	0.91	1.23	<b>16.75</b>
Reversal/adjustment on disposals	-	-	(9.30)	(0.02)	(1.71)	(0.06)	(0.44)	(0.16)	<b>(11.69)</b>
<b>As at 31 March 2019</b>	-	<b>1.02</b>	<b>33.72</b>	<b>2.88</b>	<b>19.11</b>	<b>4.12</b>	<b>3.80</b>	<b>3.63</b>	<b>68.28</b>
Charge for the year	-	0.20	9.38	0.46	2.35	0.64	0.74	0.88	<b>14.65</b>
Reversal/adjustment on disposals	-	-	(0.38)	-	(0.34)	(0.04)	(0.04)	(0.41)	<b>(1.21)</b>
<b>As at 31 March 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>
<b>Net block:</b>									
As at 31 March 2020	7.58	1.89	25.56	3.10	1.91	0.96	1.85	2.30	<b>45.15</b>
As at 31 March 2019	7.58	2.09	34.40	3.54	4.21	1.50	2.60	3.26	<b>59.18</b>

**Note:** The amount of contractual commitments for the acquisition of property, plant and equipment, but not recognised as a liability as at 31 March 2020 was Nil (31 March 2019: Nil).

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

		(₹ in crore)	
		As at 31 March 2020	As at 31 March 2019
<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 2019: 50,000) equity shares of ₹ 10 each	0.05	0.05
Transforming Retail Private Limited	10,000 (31 March 2019: 10,000) equity shares of ₹ 10 each	0.01	0.01
Luxury Products Trendsetter Private Limited	10,000 (31 March 2019: 10,000) equity shares of ₹ 10 each	2.33	1.36
PC Jeweller Global DMCC	73,400 (31 March 2019: 73,400) equity shares of AED 1,000 each	133.86	133.86
PC Gems & Jewellery Limited	50,000 (31 March 2019: Nil) equity shares of ₹ 10 each	0.05	-
		<b>136.30</b>	<b>135.28</b>
Less: Provision for impairment		(0.05)	(0.05)
		<b>136.25</b>	<b>135.23</b>
<b>Aggregate amount of unquoted investments</b>		136.30	135.28
<b>Aggregate amount of impairment in value of investment</b>		(0.05)	(0.05)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019****NOTE 6: FINANCIAL ASSETS - LOANS**

(₹ in crore)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Security deposits				
-Considered good- unsecured	18.56	5.75	23.60	5.58
Loan to subsidiaries (refer note (a) below and note 37)				
-Considered good- unsecured	123.05	29.70	125.44	30.16
-Credit impaired	-	21.05	-	14.24
Loan to other body corporate (refer note (a) below)				
-Considered good- unsecured	8.23	0.80	8.23	0.74
Less : Loss allowance	-	(21.05)	-	(14.24)
<b>Total</b>	<b>149.84</b>	<b>36.25</b>	<b>157.27</b>	<b>36.48</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 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
<b>(Unsecured and considered good)</b>				
Deposits with maturity of more than 12 months (refer note (a) below)	1.02	-	3.68	-
Foreign currency receivables, net	-	-	-	47.22
Others	-	0.02	-	0.02
<b>Total</b>	<b>1.02</b>	<b>0.02</b>	<b>3.68</b>	<b>47.24</b>

(a) Held as margin money for procurement of gold from suppliers against letter of credit. 0.08 - 3.50 -

**NOTE 8: DEFERRED TAX ASSETS (NET)**

(₹ in crore)

	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax asset arising on account of</b>		
Difference between accounting base and tax base of property, plant and equipment	12.98	17.02
Provision for employee benefits	2.12	3.08
Deferred lease rent	6.47	1.45
Provision for discount	1.13	2.68
Financial assets and liabilities at amortised cost	1.60	0.60
Fair valuation of derivatives	-	0.40
Expected credit loss on trade receivables	15.71	7.73
Valuation of inventory	1.54	-
Others	5.31	5.58
	<b>46.86</b>	<b>38.54</b>
<b>Deferred tax liability arising on account of</b>		
Financial assets at fair value through profit or loss	(0.15)	(0.83)
Valuation of inventory	-	(0.72)
	<b>(0.15)</b>	<b>(1.55)</b>
<b>Net deferred tax assets</b>	<b>46.71</b>	<b>36.99</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

## (a) Changes in deferred tax assets and deferred tax liabilities from 1 April 2019 to 31 March 2020

(₹ in crore)

Particulars	Opening balance as on 1 April 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2020
<b>Deferred tax asset arising on account of</b>					
Difference between accounting base and tax base of property, plant and equipment	17.02	(4.04)	-	-	12.98
Provision for employee benefits	3.08	(0.67)	(0.29)	-	2.12
Deferred lease rent	1.45	(2.35)	-	7.37	6.47
Provision for discount	2.68	(1.55)	-	-	1.13
Financial assets and liabilities at amortised cost	0.60	1.00	-	-	1.60
Fair valuation of derivatives	0.40	(0.40)	-	-	-
Expected credit loss on trade receivables	7.73	7.98	-	-	15.71
Valuation of inventory	(0.72)	2.26	-	-	1.54
Others	5.58	(0.27)	-	-	5.31
	<b>37.82</b>	<b>1.96</b>	<b>(0.29)</b>	<b>7.37</b>	<b>46.86</b>
<b>Deferred tax liability arising on account of</b>					
Financial assets at fair value through profit or loss	(0.83)	0.68	-	-	(0.15)
	<b>(0.83)</b>	<b>0.68</b>	-	-	<b>(0.15)</b>
<b>Net deferred tax assets</b>	<b>36.99</b>	<b>2.64</b>	<b>(0.29)</b>	<b>7.37</b>	<b>46.71</b>

## (b) Changes in deferred tax assets and deferred tax liabilities from 1 April 2018 to 31 March 2019

(₹ in crore)

Particulars	Opening balance as on 1 April 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2019
<b>Deferred tax asset arising on account of</b>					
Difference between accounting base and tax base of property, plant and equipment	13.34	3.68	-	-	17.02
Provision for employee benefits	3.01	0.25	(0.18)	-	3.08
Deferred lease rent	1.90	(0.45)	-	-	1.45
Provision for discount	4.46	(1.78)	-	-	2.68
Financial assets and liabilities at amortised cost	0.60	-	-	-	0.60
Fair valuation of derivatives	0.40	-	-	-	0.40
Expected credit loss on trade receivables	-	7.73	-	-	7.73
Others	-	5.58	-	-	5.58
	<b>23.71</b>	<b>15.01</b>	<b>(0.18)</b>	-	<b>38.54</b>
<b>Deferred tax liability arising on account of</b>					
Financial assets at fair value through profit or loss	(0.45)	(0.38)	-	-	(0.83)
Valuation of inventory	(4.34)	3.62	-	-	(0.72)
	<b>(4.79)</b>	<b>3.24</b>	-	-	<b>(1.55)</b>
<b>Net deferred tax assets</b>	<b>18.92</b>	<b>18.25</b>	<b>(0.18)</b>	-	<b>36.99</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

## NOTE 9: OTHER ASSETS

(₹ in crore)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Capital advances	0.08	-	0.41	-
Advance to suppliers	-	38.19	-	36.35
Balances with statutory authorities	3.18	21.14	3.18	21.01
Prepaid expenses	11.69	4.09	19.27	5.58
Others	-	7.47	-	15.02
	<b>14.95</b>	<b>70.89</b>	<b>22.86</b>	<b>77.96</b>
Less: Provision for doubtful advance	-	-	-	(1.68)
	<b>14.95</b>	<b>70.89</b>	<b>22.86</b>	<b>76.28</b>

## NOTE 10: INVENTORIES

(valued at lower of cost and net realisable value)

(₹ in crore)

	As at 31 March 2020	As at 31 March 2019
Raw materials	295.56	362.68
Work-in-progress	1,639.38	1,473.83
Finished goods	3,315.93	3,137.25
Stock-in-trade	7.97	14.35
	<b>5,258.84</b>	<b>4,988.11</b>

## NOTE 11: CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in crore)

	As at 31 March 2020	As at 31 March 2019
<b>Investment in mutual funds (quoted) - at fair value through profit and loss</b>		
Canara Robeco Capital Protection Oriented Fund Series 8 Regular Growth Plan (31 March 2020: 1,500,000 units, 31 March 2019: 1,500,000 units)	1.75	1.67
State Bank of India dual advantage fund - Series - XXIII Regular Growth Plan (31 March 2020: 1,500,000 units, 31 March 2019: 1,500,000 units)	1.58	1.61
Union Capital Protection Oriented Fund Series 8- Regular Growth Plan (31 March 2020: 1,500,000 units, 31 March 2019: 1,500,000 units)	1.55	1.62
Union Corporate Bond Fund - Regular Growth Plan (31 March 2020: 1,076,745 units, 31 March 2019: 1,076,745 units)	1.20	1.15
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth Plan (31 March 2020: 600,000 units, 31 March 2019: 600,000 units)	0.67	0.64
Canara Robeco Capital Protection Oriented Fund Series 10 Regular Growth Plan (31 March 2020: 250,000 units, 31 March 2019: 250,000 units)	0.26	0.25
ICICI Prudential Corporate Bond Fund - Regular Growth Plan (31 March 2020: 71,825 units, 31 March 2019: 71,825 units)	0.23	0.20
HDFC Top 100 Fund-Growth Plan (31 March 2020: 4,661 units, 31 March 2019: 4,661 units)	0.16	0.23
State Bank of India Magnum Balanced Fund - Regular Growth Plan (31 March 2020: 10,628 units, 31 March 2019: 10,628 units)	0.13	0.15
Canara Robeco Capital Protection Oriented Fund Series 7 Regular Growth Plan (31 March 2020: Nil units, 31 March 2019: 750,000 units)	-	0.87
	<b>7.53</b>	<b>8.39</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>7.53</b>	<b>8.39</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

## NOTE 12: TRADE RECEIVABLES

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Considered good - secured	-	-
Considered good - unsecured*	1,780.55	1,773.00
Credit impaired	62.56	22.11
Less: Loss allowance	(62.56)	(22.11)
	<b>1,780.55</b>	<b>1,773.00</b>

\* Includes receivable from related parties amounting ₹ 35.93 crore (31 March 2019: ₹ 13.88 crore) (refer note 37)

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

## NOTE 13: CASH AND CASH EQUIVALENTS

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Balances with banks - in current accounts	2.09	16.00
Cheques on hand	0.45	1.55
Cash on hand	10.20	12.04
Deposits with original maturity of less than 3 months	1.97	53.14
	<b>14.71</b>	<b>82.73</b>

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

## NOTE 14: OTHER BANK BALANCES

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Deposits with maturity of more than 3 months but less than 12 months (refer note a & b below)	212.08	236.03
Unclaimed dividend account (refer note c below)	0.12	0.12
	<b>212.20</b>	<b>236.15</b>

- (a) Held as margin money for procurement of gold from suppliers against letter of credit. 93.19 165.65  
 (b) *Inter-alia* includes deposits of ₹ 2.43 crore (31 March 2019: ₹29.31 crore) which are earmarked.  
 (c) Not due for deposit to the Investor Education and Protection Fund.

## NOTE 15: EQUITY SHARE CAPITAL

	(₹ in crore)	
	Number of shares	Amount
<b>a) Authorised share capital</b>		
<b>Equity shares of ₹ 10 each</b>		
Total authorised equity share capital as at 31 March 2020/31 March 2019/1 April 2018	440,000,000	440.00
<b>Preference shares of ₹ 10 each</b>		
Total authorised preference share capital as at 31 March 2020/31 March 2019/1 April 2018	260,000,000	260.00

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019****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 2018	394,355,200	394.36
Issued on exercise of employee stock options	292,787	0.29
<b>Balance as at 31 March 2019</b>	<b>394,647,987</b>	<b>394.65</b>
Issued on exercise of employee stock options	354,895	0.35
<b>Shares issued and fully paid as at 31 March 2020</b>	<b>395,002,882</b>	<b>395.00</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 any of 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.

**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 issued, 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 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares of ₹ 10 each</b>				
Mr. Balram Garg	133,952,100	33.91%	133,952,100	33.94%
Mr. Sachin Gupta	48,462,813	12.27%	90,443,600	22.92%
	<b>182,414,913</b>	<b>46.18%</b>	<b>224,395,700</b>	<b>56.86%</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.

- e) 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 2020	As at 31 March 2019
Retained earnings	2,589.95	2,533.44
General reserve	54.54	54.54
Securities premium	925.98	911.45
Share options outstanding account	36.56	42.41
	<b>3,607.03</b>	<b>3,541.84</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.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

**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 Act, 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 2020	As at 31 March 2019	Remarks
<b>Secured</b>					
Vehicle loans	8.25%-10.65%	May 2024	1.40	2.28	Refer note (i)
Term loans from banks	11.45%	November 2020	10.60	27.58	Refer note (ii)
			<b>12.00</b>	<b>29.86</b>	
Less: Current maturities of long term borrowings (refer note 21)			(11.34)	(18.28)	
<b>Total</b>			<b>0.66</b>	<b>11.58</b>	

(i) Vehicle loans are secured by way of hypothecation of assets, thus purchased.

(ii) Term loans from banks (including current maturities) aggregating to ₹ 10.60 crore (31 March 2019: ₹ 27.58 crore) are secured against first and exclusive registered mortgage charge on immovable properties belonging to other body corporates. These loans are further fully secured by personal guarantees of promoter director and corporate guarantees of the said body corporates.

**NOTE 18: PROVISIONS**

					(₹ in crore)
	As at 31 March 2020		As at 31 March 2019		
	Non-current	Current	Non-current	Current	
Provision for employee benefits obligations (refer note 35)	5.61	2.81	6.52	2.27	
Provision for unascertained tax liability (refer note below)	38.48	-	38.48	-	
	<b>44.09</b>	<b>2.81</b>	<b>45.00</b>	<b>2.27</b>	

**Note: The following is the movement in provision for tax liability from the beginning to the close of the reporting period:**

			(₹ in crore)
	As at 31 March 2020	As at 31 March 2019	
Balances as at the beginning of the year	38.48	-	
Add: Provision made during the year	-	38.48	
Less: Utilised during the year	-	-	
Less: Written back during the year	-	-	
Balance as at the end of the year	<b>38.48</b>	<b>38.48</b>	



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

## NOTE 19: CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

	Interest rate	Maturity date	As at 31 March 2020	As at 31 March 2019	Remarks
<b>Secured (carried at amortised cost)</b>					
From banks:					
Cash credit facilities	9.65% - 15.00%	Payable on demand	886.52	2,023.00	Refer note (i)
Packing credit facilities	4.65%-9.25%	Payable on demand	-	19.53	Refer note (i)
Demand loans	10.00% - 15.00%	Payable on demand	1,180.46	30.00	Refer note (i)
Bank overdraft	18.00%	Payable on demand	-	18.12	Refer note (i)
<b>Total</b>			<b>2,066.98</b>	<b>2,090.65</b>	
<b>Unsecured</b>					
Loan from related party	Interest free	Payable on demand	215.42	-	Refer note (ii)
<b>Total current financial liabilities-borrowings</b>			<b>2,282.40</b>	<b>2,090.65</b>	

(i) Cash credit facilities, packing credit facilities, demand loans and bank overdraft 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 their relatives and corporate guarantees and collateral securities of other companies.

(ii) During the year, the Company has received an interest free loan from a related party which is repayable on demand. (also refer note 37)

## NOTE 20: TRADE PAYABLES

(₹ in crore)

	As at 31 March 2020	As at 31 March 2019
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	1.49	0.58
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,079.56	1,264.28
	<b>1,081.05</b>	<b>1,264.86</b>

\* Includes gold on lease ₹ 1,045.90 crore (31 March 2019: ₹ 1,120.20 crore) on which interest is charged at 2.25% to 3.25% per annum (31 March 2019: 1.75% to 3.25% per annum).

## NOTE 21: OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

	As at 31 March 2020	As at 31 March 2019
Current maturities of long term debt (refer note 17)	11.34	18.28
Interest accrued but not due on borrowings	8.66	3.03
Unpaid dividends*	0.12	0.12
Application money received for allotment of securities to the extent refundable	-	0.02
Creditors for capital goods	0.30	1.56
Employee related payables	4.85	5.10
Foreign currency payables, net	46.95	-
Others	37.94	24.28
	<b>110.16</b>	<b>52.39</b>

\* 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 2020**
**NOTE 22: OTHER CURRENT LIABILITIES**

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Advances received from customers	57.36	6.15
Deposits received from customers	36.42	141.85
Statutory dues payable	0.83	8.87
Others	6.00	17.01
	<b>100.61</b>	<b>173.88</b>

**NOTE 23: CURRENT TAX LIABILITIES (NET)**

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Provision for income-tax (net of prepaid taxes)	126.13	86.92
	<b>126.13</b>	<b>86.92</b>

**NOTE 24: REVENUE FROM OPERATIONS**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	4,938.59	8,368.85
	<b>4,938.59</b>	<b>8,368.85</b>

**NOTE 25: OTHER INCOME**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on:		
fixed deposits with banks	13.53	40.21
loans to subsidiaries	7.05	14.51
loan to a body corporate	0.52	0.83
other financial assets carried at amortised cost	3.36	5.66
Gain on investments measured at FVTPL	-	0.84
Duty drawback on export	-	1.84
Profit on termination of right-of-use assets*	0.46	-
Net gain on foreign currency transactions and translations	44.08	23.46
Profit on modification of lease	3.05	-
Other non-operating income	5.40	4.97
	<b>77.45</b>	<b>92.32</b>

\* net of loss on disposal of property, plant and equipment amounting to ₹ 0.36 crore.

**NOTE 26: COST OF MATERIALS CONSUMED**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Raw material</b>		
Balance at the beginning of the year	362.68	684.77
Add: purchases during the year	4,544.25	7,602.93
Balance at the end of the year	295.56	362.68
	<b>4,611.37</b>	<b>7,925.02</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

**NOTE 27: PURCHASES OF STOCK-IN-TRADE**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Purchases of stock-in-trade	20.51	12.41
	<b>20.51</b>	<b>12.41</b>

**NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening balance</b>		
Work-in-progress	1,473.83	2,179.52
Finished goods	3,137.25	2,270.52
Stock-in-trade	14.35	26.47
	<b>4,625.43</b>	<b>4,476.51</b>
<b>Closing balance</b>		
Work-in-progress	1,639.38	1,473.83
Finished goods	3,315.93	3,137.25
Stock-in-trade	7.97	14.35
	<b>4,963.28</b>	<b>4,625.43</b>
	<b>(337.85)</b>	<b>(148.92)</b>

**NOTE 29: EMPLOYEE BENEFITS EXPENSE**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	58.37	66.94
Contribution to provident and other funds	3.00	4.21
Share based payments to employees	7.84	38.44
Staff welfare expenses	2.36	2.81
	<b>71.57</b>	<b>112.40</b>

**NOTE 30: FINANCE COSTS**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities at amortised cost#	314.71	304.23
Interest on late deposit of advance tax	14.88	7.38
Interest on lease liabilities	13.89	-
Other finance costs	25.40	28.78
	<b>368.88</b>	<b>340.39</b>

# includes ₹ 51.53 crore (previous year ₹ 106.93 crore) as finance cost on gold on lease included in trade payables.

**NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	14.65	16.75
Amortisation of right-of-use assets	20.01	-
	<b>34.66</b>	<b>16.75</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 32: OTHER EXPENSES**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Advertisement and publicity	13.68	22.28
Labour charges	7.54	14.22
Hallmarking charges	0.86	0.93
Consumption of packing material	3.52	1.64
Rent (refer note 45)	6.26	53.46
Business promotion	1.96	8.67
Communication	2.87	4.07
Repairs and maintenance-others	4.43	4.03
Provision for impairment	6.81	14.29
Discount and commission	1.25	1.26
Electricity and water	7.33	9.07
Vehicle running and maintenance	0.84	1.01
Insurance	1.12	1.29
Legal and professional (including payment to auditors) (refer note (a) below)	6.17	6.75
Rates and taxes	0.68	1.41
Printing and stationery	0.54	0.60
Security expenses	5.70	6.35
Travelling and conveyance	1.23	1.48
Advances written off (net of provision for doubtful advance)	3.16	1.23
Loss on investments measured at FVTPL	0.11	-
Provision on advance to suppliers	-	1.68
Expected credit loss on trade receivables	40.45	22.11
Net loss on disposal of property, plant and equipments	-	7.32
Bad debts written off	0.35	-
Bank charges	5.17	8.62
Donation	0.41	1.03
Expenditure on corporate social responsibility activities (refer note 46)	-	3.00
Miscellaneous expenses	0.92	2.56
	<b>123.36</b>	<b>200.36</b>
<b>(a) Payment to the auditors:</b>		
- As auditors	0.62	0.77
- For other services (including limited reviews)	0.62	0.47
- For reimbursement of expenses	0.06	0.05
<b>Total</b>	<b>1.30</b>	<b>1.29</b>

**NOTE 33: CURRENT TAX**
**(a) Income-tax expense through the statement of profit and loss**

	(₹ in crore)	
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax:</b>		
Current tax on profits for the year	47.68	23.81
Adjustments for current tax of prior periods	-	0.01
	<b>47.68</b>	<b>23.82</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	(2.64)	(18.25)
<b>Total tax expense</b>	<b>45.04</b>	<b>5.57</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

## (b) Income-tax on other comprehensive income

Particulars	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Re-measurement of defined benefit obligations	(0.29)	(0.18)
<b>Total tax expense recognised in other comprehensive income</b>	<b>(0.29)</b>	<b>(0.18)</b>

## (c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Accounting profit before income-tax</b>	123.54	2.76
Applicable Indian statutory income-tax rate	25.17%	34.94%
Computed expected tax expense	31.09	0.96
Prior period adjustments	-	0.01
Effect of non-deductible expenses	3.60	5.18
Income exempt from tax (refer note (a) & (c) below)	-	(0.32)
Change due to adoption of new tax rate (refer note (b) below)	10.35	-
Others	-	(0.26)
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>45.04</b>	<b>5.57</b>

**Note:**

- (a) The Company has three manufacturing units located in Noida Special Economic Zone, namely, unit I, unit II and unit III. Unit III is fully exempt from income tax till 31 March 2021. Remaining units, i.e., unit I and unit II are partially exempted till 31 March 2022 and 31 March 2025 respectively under the provisions of Section 10AA of the Income-tax Act, 1961. Pertaining to exercise of the new tax rate, the Company has not availed the exemption from 01 April 2019.
- (b) During the year, the Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised provision for income-tax for the year ended 31 March 2020 basis the revised rates resulting in a reduction in current tax expense. The Company has also re-measured its deferred tax asset on the basis of the reduced rate.
- (c) The Company's manufacturing unit located in Dehradun was eligible for the deduction of 100% of the profits and gains of the unit for the first 5 consecutive years and 30% for the next 5 consecutive years under Section 80 IC of the Income - tax Act, 1961 till 31 March 2019.

**NOTE 34: EARNINGS PER SHARE**

Particulars	Units	(₹ in crore)	
		Year ended 31 March 2020	Year ended 31 March 2019
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
<b>Net profit/(loss) attributable to shareholders for basic/diluted earnings per share</b>	₹ in crore	<b>78.50</b>	<b>(2.81)</b>
<b>Weighted average number of equity shares for basic earnings per share</b>		<b>394,876,826</b>	<b>394,562,992</b>
Effect of exercise of share options		844,947	-
<b>Weighted average number of equity shares for diluted earnings per share (refer note below)</b>		<b>395,721,773</b>	<b>394,562,992</b>
Basic earnings per share	₹	1.99	(0.07)
Diluted earnings per share	₹	1.98	(0.07)

**Note:**

The incremental shares from assumed exercise of share options were not included in calculating the diluted per-share amounts for the year ended 31 March 2019 as these were anti-dilutive.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

NOTE 35: EMPLOYEE BENEFITS

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Provision for gratuity	6.81	7.08
Provision for compensated absences	1.61	1.71
	<b>8.42</b>	<b>8.79</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)	
	<b>Gratuity benefits</b>	
	As at 31 March 2020	As at 31 March 2019
<b>Change in the present value of the defined benefit obligation:</b>		
Opening defined benefit obligation	7.08	6.82
Interest cost	0.50	0.51
Current service cost	1.02	1.25
Benefits paid	(0.65)	(0.99)
Actuarial (gains) on obligation	(1.14)	(0.51)
<b>Closing defined benefit obligation</b>	<b>6.81</b>	<b>7.08</b>
<b>Expense recognised in the statement of profit and loss:</b>		
Current service cost	1.02	1.25
Interest cost	0.50	0.51
	<b>1.52</b>	<b>1.76</b>
<b>(Income) recognised in the other comprehensive income:</b>		
Net actuarial (gain) in the year	(1.14)	(0.51)
	<b>(1.14)</b>	<b>(0.51)</b>
<b>Net expense recognised in the total comprehensive income</b>	<b>0.38</b>	<b>1.25</b>
<b>Breakup of actuarial (gain)/loss</b>		
Actuarial gain arising from change in demographic assumption	(0.08)	-
Actuarial (gain)/loss arising from change in financial assumption	(0.62)	0.10
Actuarial gain arising from experience adjustment	(0.44)	(0.61)
	<b>(1.14)</b>	<b>(0.51)</b>

**Actuarial assumptions used**

	As at 31 March 2020	As at 31 March 2019
Discount rate	5.60%	7.00%
Long-term rate of compensation increase	5.00%	10.00%
Average remaining life	27.47	28.18

**Demographic assumptions used**

	As at 31 March 2020	As at 31 March 2019
Mortality table	IALM(2012-14)	IALM(2006-08)
Retirement age	60 years	60 years
Average remaining life	27.47	28.18

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019**

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 2020		As at 31 March 2019	
	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	(0.24)	0.26
<b>Salary growth rate</b>				
Increase/ (decrease) in the defined benefit liability	0.17	(0.16)	0.23	(0.22)
<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(v) of the standalone 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 ₹ 1.77 crore (31 March 2019 : ₹ 1.85 crore) in the next 12 months.

**Amounts for the current and previous four years are as follows:**

	(₹ in crore)				
	2019-20	2018-19	2017-18	2016-17	2015-16
Defined benefit obligations	6.81	7.08	6.82	5.62	3.85
Experience gain/(loss) adjustments on planned liabilities	0.44	0.61	0.49	0.09	0.50

**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 2020	As at 31 March 2019
Discount rate	5.60%	7.00%
Expected salary escalation rate	5.00%	10.00%

**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 ₹ 2.17 crore (31 March 2019 : ₹ 2.81 crore). There are no amounts outstanding of post employment benefits, other long-term benefits and share based payment for the current and previous year.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

## 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 shares 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.

(b) Set out below is a summary of options granted under the Plan:

	31 March 2020		31 March 2019	
	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>1,258,250</b>	<b>10.00</b>	<b>1,626,037</b>
Options granted during the year	10.00	-	10.00	-
Options exercised during the year	10.00	354,895	10.00	292,787
Options lapsed during the year	10.00	-	10.00	75,000
<b>Balance at the end of the year</b>	<b>10.00</b>	<b>903,355</b>	<b>10.00</b>	<b>1,258,250</b>
Vested and exercisable	10.00	731,820	10.00	398,940

(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 2020	Share options outstanding as on 31 March 2019
	31 March 2020	31 March 2019					
14 May 2015	3.12	4.12	13 May 2023	10.00	726,300	330,300	480,700
25 May 2017	5.16	6.16	24 May 2025	10.00	50,000	35,000	45,000
01 August 2017	5.34	6.34	31 July 2025	10.00	100,000	70,000	90,000
19 January 2018	5.81	6.81	18 January 2026	10.00	882,537	468,055	642,550
<b>Total</b>						<b>903,355</b>	<b>1,258,250</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019**

(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.

**NOTE 37: RELATED PARTY TRANSACTIONS**

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

**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)**	Late Mr. Padam Chand Gupta (up till 28 January 2019)
	Mr. Balram Garg (Promoter and Managing Director)
Relatives of key management personnel	Mr. Nitin Gupta (Son of Late Mr. Padam Chand Gupta) - (up till 28 January 2019)
	Mr. Sachin Gupta (Son of Late Mr. Padam Chand Gupta) - (up till 28 January 2019)
Other entities in which KMP has significant influence	Padam Chand, Hindu Undivided Family (up till 28 January 2019)
	Balram Garg, Hindu Undivided Family
	Shivani Sarees Private Limited (from 17 May 2018 till 28 January 2019)

\*Certain directors of the Company are also directors in these entities.

\*\*Also refer note 15(d) for parties with more than 5% voting rights.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

Details of transaction between the Company and its related parties are disclosed below:

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(₹ in crore)					
<b>Transactions during the year</b>						
<b>Loan given</b>						
PC Universal Private Limited	1.01	41.47	-	-	-	-
Luxury Products Trendsetter Private Limited	-	7.47	-	-	-	-
	<b>1.01</b>	<b>48.94</b>	-	-	-	-
<b>Provision for impairment of investment</b>						
PC Universal Private Limited	-	0.05	-	-	-	-
	-	<b>0.05</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>Provision for impairment of loan</b>						
PC Universal Private Limited	6.81	14.24	-	-	-	-
	<b>6.81</b>	<b>14.24</b>	-	-	-	-
<b>Loan repaid by</b>						
PC Universal Private Limited	3.40	13.05	-	-	-	-
	<b>3.40</b>	<b>13.05</b>	-	-	-	-
<b>Expenses incurred on behalf of</b>						
Transforming Retail Private Limited	0.04	0.01	-	-	-	-
	<b>0.04</b>	<b>0.01</b>	-	-	-	-
<b>Interest income on loan</b>						
PC Universal Private Limited	4.66	10.00	-	-	-	-
Luxury Products Trendsetter Private Limited	2.39	4.51	-	-	-	-
Shivani Sarees Private Limited	-	-	-	-	-	0.58
	<b>7.05</b>	<b>14.51</b>	-	-	-	<b>0.58</b>
<b>Sale of goods</b>						
Transforming Retail Private Limited	13.62	13.19	-	-	-	-
Luxury Products Trendsetter Private Limited	48.08	25.69	-	-	-	-
	<b>61.70</b>	<b>38.88</b>	-	-	-	-
<b>Purchase of goods</b>						
Transforming Retail Private Limited	0.40	1.08	-	-	-	-
Luxury Products Trendsetter Private Limited	32.92	42.27	-	-	-	-
	<b>33.32</b>	<b>43.35</b>	-	-	-	-



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(₹ in crore)

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Remuneration recovered</b>						
Mr. Balram Garg	-	-	4.87	-	-	-
	-	-	<b>4.87</b>	-	-	-
<b>Loan received</b>						
Mr. Balram Garg	-	-	215.42	-	-	-
	-	-	<b>215.42</b>	-	-	-
<b>Labour income received</b>						
PC Universal Private Limited	0.10	0.10	-	-	-	-
	<b>0.10</b>	<b>0.10</b>	-	-	-	-
<b>Investment made</b>						
PCJ Gems & Jewellery Limited	0.05	-	-	-	-	-
	<b>0.05</b>	-	-	-	-	-
<b>Remuneration paid*</b>						
Mr. Balram Garg	-	-	2.40	1.55	-	-
Mr. Nitin Gupta	-	-	-	0.32	-	-
Others	-	-	-	0.03	-	-
	-	-	<b>2.40</b>	<b>1.90</b>	-	-
<b>Rent paid</b>						
Late Mr. Padam Chand Gupta	-	-	-	4.05	-	-
Mr. Balram Garg	-	-	0.04	0.33	-	-
Mr. Nitin Gupta	-	-	-	0.57	-	-
Mr. Sachin Gupta	-	-	-	0.57	-	-
Shivani Sarees Private Limited	-	-	-	-	-	0.66
	-	-	<b>0.04</b>	<b>5.52</b>	-	<b>0.66</b>
<b>Final dividend paid</b>						
Mr. Balram Garg	-	-	-	6.70	-	-
Late Mr. Padam Chand Gupta	-	-	-	4.52	-	-
Others	-	-	-	0.03	-	0.11
	-	-	-	<b>11.25</b>	-	<b>0.11</b>
<b>Sitting fees paid</b>						
Late Mr. Padam Chand Gupta	-	-	-	0.01	-	-

\* exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done for the Company as a whole.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	(₹ in crore)					
<b>Balance outstanding at the year end</b>						
<b>Loans</b>						
PC Universal Private Limited	81.08	83.47	-	-	-	-
Luxury Products Trendsetter Private Limited	41.97	41.97	-	-	-	-
	<b>123.05</b>	<b>125.44</b>	-	-	-	-
<b>Interest accrued on loan (gross)</b>						
PC Universal Private Limited	40.95	36.75	-	-	-	-
Luxury Products Trendsetter Private Limited	9.80	7.65	-	-	-	-
	<b>50.75</b>	<b>44.40</b>	-	-	-	-
<b>Provision for impairment of loan to subsidiary</b>						
PC Universal Private Limited	21.05	14.24	-	-	-	-
	<b>21.05</b>	<b>14.24</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>Trade receivables (gross)</b>						
PC Universal Private Limited	0.54	0.43	-	-	-	-
Transforming Retail Private Limited	10.07	9.05	-	-	-	-
Luxury Products Trendsetter Private Limited	25.70	4.40	-	-	-	-
	<b>36.31</b>	<b>13.88</b>	-	-	-	-
<b>Trade payable</b>						
Luxury Products Trendsetter Private Limited	2.14	4.01	-	-	-	-
	<b>2.14</b>	<b>4.01</b>	-	-	-	-
<b>Advance to supplier</b>						
Luxury Products Trendsetter Private Limited	0.17	-	-	-	-	-
	<b>0.17</b>	-	-	-	-	-
<b>Advance from customers</b>						
Luxury Products Trendsetter Private Limited	0.02	-	-	-	-	-
	<b>0.02</b>	-	-	-	-	-
<b>Investments</b>						
Transforming Retail Private Limited	0.01	0.01	-	-	-	-
Luxury Products Trendsetter Private Limited	2.33	1.36	-	-	-	-
PC Jeweller Global DMCC	133.86	133.86	-	-	-	-
PC Universal Private Limited	0.05	0.05	-	-	-	-
PCJ Gems & Jewellery Limited	0.05	-	-	-	-	-
	<b>136.30</b>	<b>135.28</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>	-	-	-	-

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

(₹ in crore)

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Other current assets - remuneration recoverable</b>						
Mr. Balram Garg	-	-	-	4.87	-	-
	-	-	-	<b>4.87</b>	-	-
<b>Loan outstanding</b>						
Mr. Balram Garg	-	-	215.42	-	-	-
	-	-	<b>215.42</b>	-	-	-

During the year, the Company has paid short-term employee benefits amounting ₹ 2.40 crore (previous year ₹ 1.55 crore) included in Key management personnel's compensation. As the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included.

**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 2020

(₹ 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	-	-	1.36	0.01	133.86	-
Additions during the financial year	0.05	-	0.97	-	-	-
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)	-	120.22	49.63	-	-	8.97
Additions during the year	-	1.01	-	-	-	-
Interest income during the year	-	4.66	2.39	-	-	0.52
Repayment during the year	-	3.40	-	-	-	0.41
Interest paid during the year	-	0.46	0.24	-	-	0.05
Loans at the end of the year (including accrued interest)	-	122.03	51.78	-	-	9.03
Provision for impairment of loan to subsidiary	-	(21.05)	-	-	-	-
Maximum balance outstanding during the year	-	122.22	51.78	-	-	9.03
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 i.e. 31 March 2020: 5.68% (31 March 2019: 11.60%).

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

- (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 i.e. 31 March 2020: 6.22% (31 March 2019: 10%).
- (v) The loan is to be repaid in 10 installments commencing from 1 April 2024.

**As at 31 March 2019**

Particulars	(₹ in crore)				
	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	0.01	0.01	133.86	-
Additions during the financial year	-	1.35	-	-	-
Less : Provision for impairment	(0.05)	-	-	-	-
Investments at the end of the financial year	-	1.36	0.01	133.86	-
<b>Loans and advances</b>					
Loans at the beginning of the year (including accrued interest)	82.80	38.09	-	-	9.03
Additions during the year	41.47	7.47	-	-	-
Interest income during the year	10.00	4.51	-	-	0.83
Repayment during the year	13.05	-	-	-	0.03
Interest paid during the year	1.00	0.44	-	-	0.86
Loans at the end of the year (including accrued interest)	120.22	49.63	-	-	8.97
Provision for impairment of loan to subsidiary	(14.24)	-	-	-	-
Maximum balance outstanding during the year	124.17	49.63	-	-	9.03
Rate of interest	Refer note (ii)	Refer note (ii)	NA	NA	10%
Repayment terms	Refer note (iii)	Refer note (iii)	NA	NA	Refer note (iv)

**Note:**

- (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 average cost of working capital facilities obtained by the lender i.e. 31 March 2019: 11.60% (31 March 2018: 11.25%).
- (iii) The loan is to be repaid within 5 years from the date of the receipt of each tranche of loan.
- (iv) The loan is to be repaid in 10 installments commencing from 1 April 2024.

**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.

**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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019**

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 2020**

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 2020, there is no impact of change in fair value of the hedged item i.e. inventory of gold.

**As at 31 March 2019**

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	704.22	-	Not applicable	Not applicable	Range - within 6 months	1:1	Inventory	(15.96)
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	15.96	-	Range - within 6 months		Trade payables	15.96

(₹ in crore)

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;

**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).

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**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 2020</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	7.53	-	-	<b>7.53</b>
<b>Total financial assets</b>	<b>7.53</b>	-	-	<b>7.53</b>
<b>Financial liabilities</b>				
<b>Derivative instruments</b>				
Forward contracts	-	46.95	-	<b>46.95</b>
<b>Total financial liabilities</b>	-	<b>46.95</b>	-	<b>46.95</b>
<b>As at 31 March 2019</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	8.39	-	-	<b>8.39</b>
<b>Derivative instruments</b>				
Option to fix prices of gold in purchase contracts	15.96	-	-	<b>15.96</b>
Forward contracts	-	47.22	-	<b>47.22</b>
<b>Total financial assets</b>	<b>24.35</b>	<b>47.22</b>	-	<b>71.57</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.

**NOTE 41: FINANCIAL RISK MANAGEMENT**
**i) Financial instruments by category**

(₹ in crore)

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments				
- mutual funds	7.53	-	8.39	-
Loans				
- to subsidiaries	-	152.75	-	155.60
- to body corporate	-	9.03	-	8.97
Trade receivables	-	1,780.55	-	1,773.00
Security deposits	-	24.31	-	29.18
Cash and cash equivalents	-	14.71	-	82.73
Other receivables	-	0.02	-	0.02
Derivative financial asset	-	-	47.22	-
Unclaimed dividend account	-	0.12	-	0.12
Bank deposits	-	213.10	-	239.71
<b>Total</b>	<b>7.53</b>	<b>2,194.59</b>	<b>55.61</b>	<b>2,289.33</b>
<b>Financial liabilities</b>				
Borrowings	-	2,303.05	-	2,123.53
Trade payables*	-	1,081.05	-	1,264.86
Lease liabilities	-	131.63	-	-
Derivative financial liability	46.95	-	-	-
Other financial liabilities	-	43.22	-	31.08
<b>Total</b>	<b>46.95</b>	<b>3,558.95</b>	-	<b>3,419.47</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019**

\*Trade payables for 31 March 2019 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 ₹ 15.96 crore as at 31 March 2019 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 2020 and 31 March 2019:

Particulars	Amount of trade payables	Gross amounts set off/added to the balance sheet	(₹ in crore)
			Amounts presented in the balance sheet
31 March 2020	1,081.05	-	1,081.05
31 March 2019	1,280.82	(15.96)	1,264.86

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.

**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	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting sensitivity analysis	Forward contracts
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Mix of borrowings taken at fixed and floating rates
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	Used as a hedging instrument for gold inventory
Market risk - security price	Investments in mutual funds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department of the Company under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, market risk, credit risk and investment of excess liquidity.

**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 cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

The credit risk for cash and cash equivalents, mutual funds, bank deposits, loans (excluding loans to subsidiaries) and derivative financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

Company provides for expected credit losses on trade receivables by assessing individual financial instruments for expectation of any credit losses. However, during the current as well as previous year, credit risk has increased significantly, hence the Company has provided for the expected credit loss as per the Company's policy to provides for lifetime expected credit losses upon significant increase in credit risk.

In respect of other financial assets, credit risk has increased significantly during the current as well as the previous year, hence the Company has provided for the expected credit loss as per the Company's policy to provides for 12 months expected credit losses upon significant increase in credit risk.

Detail of trade receivables that are past due is given below:

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Not due	543.35	829.89
0-30 days past due	60.63	13.85
31-60 days past due	24.76	39.48
61-90 days past due	17.96	12.46
More than 90 days past due	1,196.41	899.43
Expected credit loss (loss allowance provision)	(62.56)	(22.11)
	<b>1,780.55</b>	<b>1,773.00</b>

Expected credit losses of financial assets (other than trade receivables) is given below:

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Loan to subsidiaries	173.80	169.84
Expected credit loss (loss allowance provision)	(21.05)	(14.24)
	<b>152.75</b>	<b>155.60</b>

Reconciliation of loss allowance provision from beginning to end of reporting period:

	Trade receivables	Other financial assets
Loss allowance on 1 April 2018	-	-
Loss allowance created during the year	22.11	14.24
<b>Loss allowance as on 31 March 2019</b>	<b>22.11</b>	<b>14.24</b>
Loss allowance on 1 April 2019	22.11	14.24
Loss allowance created during the year	40.45	6.81
<b>Loss allowance as on 31 March 2020</b>	<b>62.56</b>	<b>21.05</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. All trade receivable are reviewed and assessed for default on a quarterly basis.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019**

The Company's exposure to credit risk for trade receivables is presented below:

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
<b>Concentration of trade receivables*</b>		
Export wholesale customers	1,701.79	1,722.51
Domestic wholesale customers	41.24	23.23
Franchise stores	37.12	26.00
Others	0.40	1.26
	<b>1,780.55</b>	<b>1,773.00</b>

\*Net of expected credit loss amounting to ₹ 62.56 crore (31 March 2019 : ₹ 22.11 crore)

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Expiring within one year (bank overdraft and other facilities)	53.14	246.33
	<b>53.14</b>	<b>246.33</b>

**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 2020	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)	2,282.40	20.57	0.36	0.24	0.13	2,303.70
Trade payables	-	1,081.05	-	-	-	1,081.05
Other financial liabilities	0.12	43.10	-	-	-	43.22
Lease liabilities (including interest)	-	31.13	29.91	29.51	97.57	188.12
<b>Total</b>	<b>2,282.52</b>	<b>1,175.85</b>	<b>30.27</b>	<b>29.75</b>	<b>97.70</b>	<b>3,616.09</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

						(₹ in crore)
31 March 2019	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)	2,090.65	23.52	11.35	0.35	0.34	2,126.21
Trade payables	-	1,264.86	-	-	-	1,264.86
Other financial liabilities	0.14	30.94	-	-	-	31.08
<b>Total</b>	<b>2,090.79</b>	<b>1,319.32</b>	<b>11.35</b>	<b>0.35</b>	<b>0.34</b>	<b>3,422.15</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. The Company, as per its overall strategy, uses forward contracts to mitigate its risks associated with fluctuations in foreign currency, and such contracts are not designated as hedges under Ind AS 109. The Company does not use forward contracts and swaps for speculative purposes.

**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 ₹ 1.34 crore (previous year ₹ 30.63 crore).

**D) Interest rate risk****i) Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

*Interest rate risk exposure*

Below is the overall exposure of the Company to interest rate risk:

Particulars	(₹ in crore)	
	31 March 2020	31 March 2019
Variable rate borrowing	2,066.98	2,090.65
Fixed rate borrowing	227.41	29.86
<b>Total borrowings</b>	<b>2,294.39</b>	<b>2,120.51</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 ₹ 7.73 crore (previous year ₹ 6.80 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) Price risk****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



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

**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 ₹ 0.28 crore (previous year ₹ 0.27 crore).

**Exposure from trade payables:**

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. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Company.

The Company applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Company's profit for the period.

**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.

The Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

		(₹ in crore)	
(a)	Particulars	31 March 2020	31 March 2019
	Non-current borrowings (refer note 17)	0.66	11.58
	Current borrowings (refer note 19)	2,282.40	2,090.65
	Other financial liability (refer note 21)	20.00	21.31
	Less: Cash and cash equivalents (refer note 13)	(14.71)	(82.73)
	<b>Net debts</b>	<b>2,288.35</b>	<b>2,040.81</b>
	Equity share capital (refer note 15)	395.00	394.65
	Other equity (refer note 16)	3,607.03	3,541.84
	<b>Total capital</b>	<b>4,002.03</b>	<b>3,936.49</b>
	<b>Gearing ratio</b>	<b>57.18%</b>	<b>51.84%</b>
(b)	Particulars	31 March 2020	31 March 2019
	<b>(i) Equity shares</b>		
	Final dividend for the year ended 31 March 2018 of ₹ 0.50 per share	-	19.73
	Dividend distribution tax on final dividend for the year ended 31 March 2018	-	4.05

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**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.

Particulars	(₹ in crore)	
	31 March 2020	31 March 2019
(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	1.36	0.53
Interest due on above	0.13	0.05
(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.	0.13	0.05
(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.	0.13	0.05

**NOTE 44: CONTINGENT LIABILITY**

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
<b>a)</b> Claims against the Company not acknowledged as debts*#	0.97	0.97
<b>b)</b> Demand from the income-tax authorities*	5.47	5.47
<b>c)</b> Demands from the Custom authorities against which appeals have been filed (amounts paid under protest ₹ 2.43 crore)	2.43	2.43
<b>d)</b> Demands from the sales tax authorities against which appeals have been filed*	8.24	-

\*Excluding interest, if any, which is not ascertainable

#Company has furnished bank guarantees amounting to ₹ 0.42 crore for ongoing litigations

**NOTE 45: LEASES**

The Company has adopted Ind AS 116 'Leases' from 1 April 2019, which resulted in changes in accounting policies in the standalone financial statements.

Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three Interpretations (Appendix A 'Operating Leases-Incentives', Appendix B 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C 'Determining whether an Arrangement contains a Lease'). The Company has used the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and taken the cumulative adjustment to retained earnings, on the date of initial application (1 April 2019). Accordingly, comparatives for the year ended 31 March 2019 have not be retrospectively adjusted.

For contracts in place at the date of initial application, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C.

On adoption of Ind AS 116, the Company recognised lease liabilities and right of use assets in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 "Leases", except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019**

to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 11.50%.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019. Also, the Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

**i) The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 as at 01 April 2019:**

	(₹ in crore)		
	Carrying amount at 31 March 2019	Remeasurement	Ind AS 116 carrying amount at 01 April 2019
Right-of-use assets	-	118.28	118.28
Lease liabilities	-	(148.21)	(148.21)
Deferred lease rent	(2.46)	2.46	-
Retained earnings	2,533.44	22.84	2,556.28
Deferred tax assets	36.99	7.37	44.36
Other non-current assets- Prepaid expenses	19.27	(0.70)	18.57
Other current assets- Prepaid expenses	5.58	(2.04)	3.54
<b>Total</b>	<b>2,592.82</b>	-	<b>2,592.82</b>

**ii) The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 01 April 2019:**

	(₹ in crore)
Particulars	Amount
<b>Total operating lease commitments disclosed at 31 March 2019</b>	<b>209.14</b>
Recognition exemptions:	
• Leases with remaining lease term of less than 12 months	2.86
<b>Operating lease liabilities before discounting</b>	<b>206.28</b>
Discounted using incremental borrowing rate	(58.07)
<b>Total lease liabilities recognised under Ind AS 116 at 01 April 2019</b>	<b>148.21</b>

The net impact on retained earnings on 1 April 2019 was a decrease of ₹ 22.84 crore (net of adjustment of deferred tax).

**iii) Lease liabilities are presented in the balance sheet as follows:**

	(₹ in crore)
Particulars	As at 31 March 2020
Current	29.85
Non-current	101.78
<b>Total</b>	<b>131.63</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 Company has leases for the factory marketing 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 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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

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.

- iv) The recognised right-of-use assets relate to retail outlets and other marketing offices as at 31 March 2020.

Particulars	(₹ in crore)
	Amount
<b>Right-of-use assets- retail outlets and other marketing offices</b>	
Balance as at 1 April 2019 (on account of initial application of Ind AS 116)	<b>118.28</b>
Add: Additions on account of new leases entered during the year	38.52
Less: Termination/ modifications	30.88
Less: Amortisation charged on the right-of-use assets	20.01
<b>Balance as at 31 March 2020</b>	<b>105.91</b>

- v) The following are amounts recognised in statement of profit and loss:

Particulars	(₹ in crore)
	Year ended 31 March 2020
Amortisation expense of right-of-use assets	20.01
Interest expense on lease liabilities	13.89
Rent expense	6.26
<b>Total</b>	<b>40.16</b>

- vi) Lease payments not recognised as a liability

Particulars	(₹ in crore)
	Year ended 31 March 2020
Expenses relating to short term leases (included in other expenses)	5.80
Expenses relating to variable lease payments not included in lease payments	0.46
<b>Total</b>	<b>6.26</b>

- vii) At 31 March 2020, the Company was committed to short-term leases and the total commitment at that date was ₹ 0.94 crore.

- viii) Total cash outflow for leases for the year ended 31 March 2020 was ₹ 32.54 crore.

- ix) 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 other marketing offices	71	1-9	4.92

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.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

## x) Disclosures under Ind AS 17 for the year ended 31 March 2019

## Operating leases- assets taken on lease

Minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	(₹ in crore)
	31 March 2019
Upto one year	42.31
Two to five years	123.84
More than five years	42.99
<b>Total</b>	<b>209.14</b>
Lease payments under operating leases disclosed as 'rent' in the statement of profit and loss	53.46

## 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.

- Gross amount required to be spent by the Company during the year is ₹ 8.72 crore (31 March 2019 : ₹ 12.47 crore)
- Amount spent during the year on CSR (excluding 5% administrative expenses)

S.No	Particulars	In cash	Yet to be paid in cash	(₹ in crore)
				Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	-	-	-

## 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	Long term borrowings	Short term borrowings	Equity share capital	Lease liabilities	(₹ in crore)
					Total
<b>Net debt as at 01 April 2018</b>	<b>90.80</b>	<b>1,024.97</b>	<b>394.36</b>	-	<b>1,510.13</b>
Proceeds from allotment of employee stock options	-	-	0.15	-	<b>0.15</b>
Allotment of employee stock options due to corporate action	-	-	0.14	-	<b>0.14</b>
Movement in the liability components pertaining to CCD and CCPS	(13.37)	-	-	-	<b>(13.37)</b>
Repayment of non-current borrowings (net)	(33.45)	-	-	-	<b>(33.45)</b>
Payment of dividend on CCPS	(14.12)	-	-	-	<b>(14.12)</b>
Proceeds of current borrowings (net)	-	1,065.68	-	-	<b>1,065.68</b>
<b>Net debt as at 31 March 2019</b>	<b>29.86</b>	<b>2,090.65</b>	<b>394.65</b>	-	<b>2,515.16</b>
Proceeds from allotment of employee stock options	-	-	0.21	-	<b>0.21</b>
Allotment of employee stock options due to corporate action	-	-	0.14	-	<b>0.14</b>
Creation of lease liability under Ind AS 116	-	-	-	148.21	<b>148.21</b>
New leases	-	-	-	36.82	<b>36.82</b>
Termination/Modification of leases	-	-	-	(34.75)	<b>(34.75)</b>
Repayment of non-current borrowings	(17.86)	-	-	-	<b>(17.86)</b>
Payment of lease liabilities	-	-	-	(32.54)	<b>(32.54)</b>



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

Particulars					(₹ in crore)
	Long term borrowings	Short term borrowings	Equity share capital	Lease liabilities	Total
Payment of interest on lease liability	-	-	-	13.89	<b>13.89</b>
Proceeds of current borrowings (net)	-	191.75	-	-	<b>191.75</b>
<b>Net debt as at 31 March 2020</b>	<b>12.00</b>	<b>2,282.40</b>	<b>395.00</b>	<b>131.63</b>	<b>2,821.03</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:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

**(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.

Revenue from operations	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue by geography</b>		
Export	657.97	1,439.48
Domestic	4,280.62	6,929.37
<b>Total</b>	<b>4,938.59</b>	<b>8,368.85</b>

**(b) Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	1.74	15.38
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

**(c) Assets and liabilities related to contracts with customers**

Description	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
	Current	Current
<b>Contract liabilities related to sale of goods</b>		
Advance from customers	57.36	6.15

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019****(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

Description	₹ in crore	
	Year ended 31 March 2020	Year ended 31 March 2019
Contract price	4,941.75	8,885.79
Less: Discount, rebates, credits etc.	3.16	516.94
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>4,938.59</b>	<b>8,368.85</b>

**(e) Significant changes in contract assets and liabilities**

Description	₹ in crore		
	Year ended 31 March 2020	Year ended 31 March 2019	
	Advance from customers	Advance from customers	Deferred income
<b>Opening Balance</b>	<b>6.15</b>	<b>17.91</b>	<b>11.18</b>
Add: Addition during the year (net)	52.95	3.62	-
Less: Revenue recognised during the year from opening liability	1.74	15.38	11.18
<b>Closing balance</b>	<b>57.36</b>	<b>6.15</b>	<b>-</b>

**NOTE 50: IMPACT OF COVID-19 CRISIS**

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. In developing the assumptions relating to the possible future uncertainties in the global economic condition because of the pandemic, the Company, as at the date of the approval of these financial statements has used internal and external sources on the expected future performance of the Company. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of financial statements. Based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations. Given the uncertainty because 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 statements.

**NOTE 51: DISCOUNT TO EXPORT CUSTOMERS**

During the previous 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 to the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2014-15 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 ₹ 89.69 crore. However, for the remaining discounts of Rs 423.96 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.

**NOTE 52: DELAY IN RECEIPT OF FOREIGN CURRENCY AGAINST EXPORT**

Trade receivables as at 31 March 2020, *inter alia*, include outstanding from export customers aggregating to ₹ 794.07 crore (net of discount) which have been outstanding for more than 15 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 delay/default.

**NOTE 53: RECOVERABILITY OF INVESTMENTS, LOANS AND SHORT-TERM FINANCIAL ASSETS, GIVEN TO/DUE FROM SUBSIDIARY COMPANIES**

The Company has investments of ₹ 136.30 crore (previous year ₹ 135.28 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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

Global DMCC and PCJ Gems & Jewellery Limited as at 31 March 2020. The Company has also given non current loans amounting to ₹ 123.05 crore (previous year ₹ 125.44 crore) to two of its subsidiaries, PC Universal Private Limited and Luxury Products Trendsetter Private Limited and has interest receivable from them amounting to ₹ 50.75 crore (previous year ₹ 44.40 crore)(excluding impairment) which is classified under current financial assets. Further, the Company has trade receivables amounting to ₹ 36.31 crore (previous year ₹ 13.88 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 had appointed an independent valuer to conduct the valuation of the aforementioned subsidiaries as at 31 March 2020 using the 'Discounted Cash Flow valuation model'. The management used this valuation to perform an impairment assessment of its total exposure in its subsidiaries in the form of investments and receivables (loan, interest accrued and trade receivables) as at 31 March 2020. Basis the assessment, the Company as at 31 March 2020 has provision for impairment in investment of ₹ 0.05 crore and provision for doubtful receivables of ₹ 21.05 crore in respect of PC Universal Private Limited.

**This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.**

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

**Place:** New Delhi  
**Date:** 29 June 2020

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

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
DIN-01980542

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

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

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



# 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 2020, 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 a summary of the significant accounting policies and other explanatory information.
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 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 2020 and their consolidated profit (including other comprehensive income), 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(a) to the accompanying consolidated financial statements, the Holding Company during the previous 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 ₹ 89.69 crore. For the remaining discounts of ₹ 423.96 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. Our opinion for the year ended 31 March 2019 was also qualified in respect of this matter.

As given in note 50(b) to the accompanying consolidated financial statements, the following qualification is given by another firm of Chartered Accountants vide their audit report dated 28 June 2020 on the financial statements of PC Universal Private Limited, a subsidiary of the Holding Company which is reproduced by us as under:

As explained in note 50(b) to the accompanying consolidated financial statements, the Company has provided discounts of ₹ 4.75 crore to export customers adjusted against revenues for the year ended 31 March 2020. The Company is in 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 has filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. 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 financial statements.

4. We conducted our audit in accordance with the Standards on Auditing 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 Company 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 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 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.

**Independent Auditor’s Report to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2020 (cont’d)**

**Emphasis of Matters - Impact of COVID 19 on financial statements and compliances with laws and regulations**

5. We draw attention to note 49 to the accompanying consolidated financial statements, which describes the impact of COVID-19 pandemic on the Group’s operations. 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.

The above matter has also been reported as emphasis of matter in the auditor’s reports issued by independent firms of Chartered Accountants on the financial statements of 4 subsidiaries for the year ended 31 March 2020.

6. We draw attention to note 51(a) 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 ₹ 794.07 crore outstanding as on 31 March 2020, 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.

The following emphasis of matter has been included in the auditor’s report on the financial statements of PC Universal

Private Limited, a subsidiary of the Holding Company for a similar matter, which is reproduced by us as under:

We draw attention to note 51(b) to the accompanying consolidated 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 ₹ 45.52 crore outstanding as on 31 March 2020 beyond the timelines stipulated under the Foreign Exchange Management Act, 1999. The management of the Company has represented that the Company is in the process of regularizing the defaults and has filed the necessary applications with the appropriate authority for condonation of such delays. However, approvals for the same are awaited. Management is of the view that the possible penalties etc. which may be levied for these contraventions are likely to be condoned by the regulatory authorities.

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

**Key Audit Matter**

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 matter described below to be the key audit matter 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 ₹ 5,413.74 crore as at 31 March 2020, 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>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, including the changes required thereto as a result of COVID-19 related restrictions, and recognition and measurement of purchase cost of gold, diamonds and manufactured jewellery items.</li> </ul>


**Independent Auditor's Report to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2020 (cont'd)**

<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. For diamond jewellery items purchased from the customers under the exchange scheme, the Holding Company involves independent professional gemologist to determine the correct cost category of such items.</p> <p>Due to outbreak of the COVID-19, there has been a lockdown enforced in various geographies near year end and several restrictions were imposed by the government on travel which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This was resolved by applying alternate audit techniques with the help of audio/video devices, etc. as further described in our audit procedures.</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>	<ul style="list-style-type: none"> <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>• Inspected the instructions given by supervisory teams to the management count teams.</li> <li>• Assessed the appropriateness of accounting policy and management valuation methodology adopted by the management.</li> <li>• Evaluated the professional competence, objectivity and professional experience and competence of the gemologist used 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 management physical verification records and inventory reconciliation performed by the management as at the year end.</li> <li>• Inspected reports of physical verification done by gemologists appointed by the lenders of the Holding Company for corroborative evidence.</li> <li>• Performed independent test counts / observed live video feeds of inventory 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 used as an auditor's expert.</li> <li>• Obtained the category-wise inventory reconciliation from the management and tested the same on sample basis.</li> <li>• On a sample basis, tested samples of inventory sold before year-end and subsequent to year-end to corroborate management's assessment of net realizable value of closing inventory balance.</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>
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**Independent Auditor's Report to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2020 (cont'd)**

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

9. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance and Directors' Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, in the absence of requisite approvals and material evidence related to discount to export customers, we are unable to comment on the impact, if any, of the same on the accompanying consolidated financial statements. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Management Discussion and Analysis and Directors' Report affected by the absence of requisite approvals and material evidence relating to the aforementioned transaction.

**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 state of affairs (consolidated financial position), consolidated profit or loss (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 Ind AS 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 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 financial statements.
14. As part of an audit in accordance with Standards on Auditing, 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


**Independent Auditor's Report to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2020 (cont'd)**

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 control 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 Holding Company has adequate internal financial controls with reference to 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 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 financial statements of six subsidiaries, whose financial statements reflects total assets of ₹ 342.96 crore and net assets of ₹ 120.07 crore as at 31 March 2020, total revenues of ₹ 373.22 crore and net cash inflows amounting to ₹ 10.72 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above 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 paid



**Independent Auditor's Report to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2020 (cont'd)**

remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to 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 and PC Universal Private Limited, a subsidiary 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 2020 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 and PC

Universal Private Limited, a subsidiary of 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 2020, as detailed in note 44 (b), 44(c) and 44(d) to 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 as at 31 March 2020;
  - 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 2020; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No.: 058644  
UDIN: 20058644AAAABJ2902

**Place:** New Delhi  
**Date:** 29 June 2020



**Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2020**

**ANNEXURE A**

**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;
5. Comercializadora Internacional PC Jeweller International S.A.S; and
6. PCJ Gems & Jewellery Limited.

**Annexure B to the Independent Auditor's Report of even date to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2020**

**ANNEXURE B**

**Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the 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 at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

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

2. 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**

3. 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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**

6. 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

**Annexure B to the Independent Auditor's Report of even date to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2020**

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**

7. 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**

8. 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 2020, 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**

9. 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 of ₹ 175.51 crore and net liabilities of ₹ 47.06 crore as at 31 March 2020, total revenues of ₹ 105.96 crore and net cash inflows amounting to ₹ 9.87 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 **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rajni Mundra**

Partner

Membership No.: 058644

UDIN: 20058644AAAABJ2902

**Place:** New Delhi**Date:** 29 June 2020

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020

(₹ in crore)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>A Assets</b>			
<b>1 Non-current assets</b>			
a) Property, plant and equipment	4	58.99	73.11
b) Capital work-in-progress		-	0.46
c) Right-of-use assets		108.58	-
d) Other intangible assets	5	1.03	1.20
e) Intangible assets under development		0.75	0.45
f) Financial assets			
i) Loans	6	27.34	32.36
ii) Other financial assets	7	1.02	3.68
g) Deferred tax assets (net)	8	59.43	46.86
h) Other non-current assets	9	14.96	22.98
<b>Total non-current assets</b>		<b>272.10</b>	<b>181.10</b>
<b>2 Current assets</b>			
a) Inventories	10	5,413.74	5,012.38
b) Financial assets			
i) Investments	11	7.53	8.39
ii) Trade receivables	12	1,880.62	1,987.35
iii) Cash and cash equivalents	13	28.05	85.35
iv) Bank balance other than (iii) above	14	212.20	236.21
v) Loans	6	6.65	6.41
vi) Other financial assets	7	0.02	47.24
c) Other current assets	9	76.36	85.02
<b>Total current assets</b>		<b>7,625.17</b>	<b>7,468.35</b>
<b>Total assets</b>		<b>7,897.27</b>	<b>7,649.45</b>
<b>B Equity and Liabilities</b>			
<b>1 Equity</b>			
a) Equity share capital	15	395.00	394.65
b) Other equity	16	3,608.02	3,526.01
<b>Total equity</b>		<b>4,003.02</b>	<b>3,920.66</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	0.66	11.58
ii) Lease liabilities		103.60	-
b) Provisions	18	44.29	45.18
<b>Total non-current liabilities</b>		<b>148.55</b>	<b>56.76</b>
<b>3 Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	2,282.43	2,090.68
ii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		1.49	0.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,088.57	1,261.12
iii) Lease liabilities		31.07	-
iv) Other financial liabilities [other than those specified in item (c)]	21	111.42	54.68



(₹ in crore)

	Notes	As at 31 March 2020	As at 31 March 2019
b) Other current liabilities	22	101.75	175.71
c) Provisions	18	2.84	2.27
d) Current tax liabilities (net)	23	126.13	86.92
<b>Total current liabilities</b>		<b>3,745.70</b>	<b>3,672.03</b>
<b>Total liabilities</b>		<b>3,894.25</b>	<b>3,728.79</b>
<b>Total equity and liabilities</b>		<b>7,897.27</b>	<b>7,649.45</b>

Notes 1 to 53 form an integral part of these consolidated financial statements.

**This is the consolidated balance sheet referred to in our report of even date.**

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

**Place:** New Delhi  
**Date:** 29 June 2020

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

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
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 PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(₹ in crore)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
1 <b>Revenue from operations</b>	24	5,206.77	8,679.96
2 Other income	25	80.42	84.32
3 <b>Total income (1+2)</b>		<b>5,287.19</b>	<b>8,764.28</b>
4 <b>Expenses</b>			
a) Cost of materials consumed	26	4,932.07	8,109.49
b) Purchases of stock-in-trade	27	34.17	25.62
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(414.18)	(61.73)
d) Employee benefits expense	29	78.24	120.29
e) Finance costs	30	369.22	345.50
f) Depreciation and amortisation expenses	31	37.36	18.90
g) Other expenses	32	124.99	204.21
<b>Total expenses</b>		<b>5,161.87</b>	<b>8,762.28</b>
5 <b>Profit before tax (3-4)</b>		<b>125.32</b>	<b>2.00</b>
6 Tax expense			
a) Current tax	33	47.68	23.83
b) Deferred tax	8	(5.40)	(22.44)
<b>Total tax expense</b>		<b>42.28</b>	<b>1.39</b>
7 <b>Profit for the year</b>		<b>83.04</b>	<b>0.61</b>
8 Other comprehensive income:			
(A) (i) Items that will not be reclassified to profit or loss:			
- Remeasurement of post employment benefit obligations		1.16	0.55
(ii) Income-tax relating to items that will not be reclassified to profit or loss		(0.30)	(0.19)
(B) (i) Items that will be reclassified to profit or loss:			
- Foreign currency translation		12.59	(0.82)
(ii) Income-tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>13.45</b>	<b>(0.46)</b>
9 <b>Total comprehensive income for the year (7+8)</b>		<b>96.49</b>	<b>0.15</b>
<b>Profit attributable to:</b>			
Owners of the Parent Company		83.04	0.61
Non-controlling interests		-	-
<b>Other comprehensive income/(loss) attributable to:</b>			
Owners of the Parent Company		13.45	(0.46)
Non-controlling interests		-	-
		<b>96.49</b>	<b>0.15</b>
10 Earnings per equity share: (face value of ₹ 10 per share)	34		
Basic earnings per share (in ₹)		2.10	0.02
Diluted earnings per share (in ₹)		2.10	0.02

Notes 1 to 53 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 **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

Place: New Delhi  
Date: 29 June 2020

For and on behalf of the Board of Directors

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
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 2020

### 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 2018</b>	15	<b>394,355,200</b>	<b>394.36</b>
Changes in equity share capital during the year		292,787	0.29
<b>Balance as at 31 March 2019</b>	15	<b>394,647,987</b>	<b>394.65</b>
Changes in equity share capital during the year		354,895	0.35
<b>Balance as at 31 March 2020</b>	15	<b>395,002,882</b>	<b>395.00</b>

### B Other equity:

Particulars	Reserves and surplus					Total
	Securities premium	General reserve	Share options outstanding account	Foreign currency translation reserve	Retained earnings	
<b>Balance as at 1 April 2018</b>	<b>898.83</b>	<b>54.54</b>	<b>15.37</b>	<b>(2.32)</b>	<b>2,520.40</b>	<b>3,486.82</b>
Profit for the year	-	-	-	-	0.61	<b>0.61</b>
Other comprehensive income/(loss) for the year (net of income tax)	-	-	-	(0.82)	0.36	<b>(0.46)</b>
<b>Total comprehensive income for the year</b>	<b>898.83</b>	<b>54.54</b>	<b>15.37</b>	<b>(3.14)</b>	<b>2,521.37</b>	<b>3,486.97</b>
Share option expense for the year	-	-	39.80	-	-	<b>39.80</b>
Other adjustments	-	-	-	-	26.16	<b>26.16</b>
Transactions with owners in their capacity as owners:						
Issue of bonus shares	(0.14)	-	-	-	-	<b>(0.14)</b>
Issue of equity shares	12.76	-	(12.76)	-	-	-
Dividends distributed to equity shareholders	-	-	-	-	(19.73)	<b>(19.73)</b>
Dividend distribution tax on dividend paid to equity shareholders	-	-	-	-	(4.05)	<b>(4.05)</b>
Dividend distribution tax on dividend paid to preference shareholders	-	-	-	-	(3.00)	<b>(3.00)</b>
<b>Balance as at 31 March 2019</b>	<b>911.45</b>	<b>54.54</b>	<b>42.41</b>	<b>(3.14)</b>	<b>2,520.75</b>	<b>3,526.01</b>
Profit for the year	-	-	-	-	83.04	<b>83.04</b>
Other comprehensive income for the year (net of income tax)	-	-	-	12.59	0.86	<b>13.45</b>
<b>Total comprehensive income for the year</b>	<b>911.45</b>	<b>54.54</b>	<b>42.41</b>	<b>9.45</b>	<b>2,604.65</b>	<b>3,622.50</b>
Share option expense for the year	-	-	8.82	-	-	<b>8.82</b>
Ind-AS 116 transition adjustments (net of adjustment of deferred tax)	-	-	-	-	(23.16)	<b>(23.16)</b>
Transactions with owners in their capacity as owners:						
Issue of bonus shares	(0.14)	-	-	-	-	<b>(0.14)</b>
Issue of equity shares	14.67	-	(14.67)	-	-	-
<b>Balance as at 31 March 2020</b>	<b>925.98</b>	<b>54.54</b>	<b>36.56</b>	<b>9.45</b>	<b>2,581.49</b>	<b>3,608.02</b>

Notes 1 to 53 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 **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
DIN-01980542

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

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

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

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

**Place:** New Delhi  
**Date:** 29 June 2020



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(₹ in crore)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>A Cash flow from operating activities:</b>		
Profit before tax	125.32	2.00
<b>Adjustments for:</b>		
Depreciation and amortisation expenses	37.36	18.90
Share based payments to employees	8.82	39.80
Interest income on fixed deposit	(13.53)	(44.76)
Interest income on loans given to body corporate	(0.51)	(0.83)
Net (profit)/loss on disposal of property, plant and equipment	(0.46)	7.64
Income from investments (net)	(0.03)	(0.84)
Finance costs	354.34	338.12
Unwinding of discount on security deposits	(1.01)	0.23
Profit on modification of lease	(3.05)	-
Foreign currency translation	12.04	1.50
Unrealised gain on foreign exchange	(49.22)	(122.44)
Adjustment due to fair valuation of gold loan at unfixed prices	(16.12)	10.36
Fair valuation adjustment of forwards contracts	0.02	(1.16)
Straight lining of lease expense	-	(1.48)
Advances written off (net of provision for doubtful advance)	3.16	1.23
Provision on advance to suppliers	-	1.68
Provision for expected credit loss on trade receivables	41.29	22.11
Bad debts written off	0.35	-
<b>Operating profit before working capital changes</b>	<b>498.77</b>	<b>272.06</b>
<b>Adjustments for:</b>		
(Increase)/decrease in inventories	(401.36)	269.05
Decrease in financial assets	203.67	140.15
Decrease in non-financial assets	13.97	23.29
Decrease/(increase) in trade receivables	179.53	(87.35)
Decrease in trade payables	(168.30)	(2,379.05)
Decrease in financial liabilities	(15.13)	(132.19)
Decrease in non-financial liabilities	(227.99)	(19.62)
Increase in provisions	0.84	0.74
<b>Cash generated from/(used in) operating activities</b>	<b>84.00</b>	<b>(1,912.92)</b>
Direct taxes paid	(8.47)	(18.34)
<b>Net cash generated from/(used in) operating activities</b>	<b>75.53</b>	<b>(1,931.26)</b>
<b>B Cash flow from investing activities:</b>		
Purchase of property, plant and equipment including capital advances	(2.11)	(9.70)
Proceeds from disposal of property, plant and equipment	0.18	1.30
Redemption of current investments, net	0.89	11.08
Loans repaid/(given to) by body corporate	-	2.32
Interest received	14.67	45.54
Redemption of fixed deposits, net	24.01	927.46
<b>Net cash generated from investing activities</b>	<b>37.64</b>	<b>978.00</b>
<b>C Cash flow from financing activities:</b>		
Repayment of long term loans	(17.86)	(33.45)
Proceeds from allotment of employee stock options	0.21	0.15
Proceeds of short term borrowings, net	191.75	1,065.68



(₹ in crore)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividends paid including corporate dividend tax	-	(40.90)
Payment of lease liabilities	(33.62)	-
Interest paid	(310.95)	(339.81)
<b>Net cash (used in)/generated from financing activities</b>	<b>(170.47)</b>	<b>651.67</b>
<b>D</b> Net decrease in cash and cash equivalents (A+B+C)	(57.30)	(301.59)
<b>E</b> Cash and cash equivalents as at the beginning of the year	85.35	386.94
<b>F Cash and cash equivalents as at the end of the year (refer note 13)</b>	<b>28.05</b>	<b>85.35</b>
<b>Components of cash and cash equivalents:</b>		
Balances with banks - in current accounts	15.32	18.44
Cheques on hand	0.53	1.55
Cash on hand	10.23	12.22
Deposits with original maturity of less than 3 months	1.97	53.14
	<b>28.05</b>	<b>85.35</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 53 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 **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

**Place:** New Delhi  
**Date:** 29 June 2020

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

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
DIN-01980542

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**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 manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items. The Parent 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**

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. Comercializadora Internacional PC Jeweller International SAS, Columbia, 100% subsidiary of PCJ DMCC with effect from 25 April 2017
- vi. 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
Comercializadora Internacional PC Jeweller International SAS	Jewellery trading
PCJ Gems & Jewellery Limited	Jewellery trading

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 2020 were authorised and approved for issue by the Board of Directors on 29 June 2020. 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.

**Standards issued but not effective**

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 01 April 2020.

**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.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 2020. All subsidiaries have a reporting date of 31 March 2020.

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 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 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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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, 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



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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:

Asset category	Estimated useful life (in years)
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.

### *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 written-down value for computer software and straight line method for trademarks, computed on the basis useful lives (as set out below) prescribed in Schedule II of the Act:

Asset category	Estimated useful life (in years)
Trademarks	10
Computer software	3

### *Derecognition*

An item of intangible asset 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 disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

## h) Leases

### **Transition**

Effective 1 April 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

Refer note 45 for details on transition.

### 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, 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 if 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.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 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



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

### *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



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. 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 in 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 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 or near the reporting date 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.

### 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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 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 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.

### 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.

### x) Segment reporting

The Group has two operating/reportable segments based on geographical area, i.e., domestic sales and export sales.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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.

**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 FOR THE YEAR ENDED 31 MARCH 2020

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 2018</b>	<b>10.71</b>	<b>9.40</b>	<b>83.50</b>	<b>7.05</b>	<b>25.26</b>	<b>5.60</b>	<b>7.07</b>	<b>7.63</b>	<b>156.22</b>
Additions	0.04	0.70	4.44	1.23	1.47	0.39	0.81	0.03	9.11
Disposals	-	-	(17.64)	(0.03)	(2.12)	(0.07)	(0.66)	(0.28)	(20.80)
Foreign currency translation	-	0.42	-	0.01	_*	_*	_*	-	0.43
<b>As at 31 March 2019</b>	<b>10.75</b>	<b>10.52</b>	<b>70.30</b>	<b>8.26</b>	<b>24.61</b>	<b>5.92</b>	<b>7.22</b>	<b>7.38</b>	<b>144.96</b>
Additions	-	1.02	0.66	0.10	0.17	0.11	-	0.20	2.26
Disposals	-	-	(0.50)	-	(0.46)	(0.05)	(0.05)	(0.69)	(1.75)
Foreign currency translation	-	0.58	-	0.02	0.01	0.01	_*	-	0.62
<b>As at 31 March 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>
<b>Accumulated depreciation</b>									
<b>As at 1 April 2018</b>	-	<b>0.95</b>	<b>34.03</b>	<b>2.45</b>	<b>17.60</b>	<b>3.45</b>	<b>3.44</b>	<b>3.06</b>	<b>64.98</b>
Charge for the year	-	0.67	9.99	0.90	3.87	0.98	1.07	1.23	18.71
Reversal/adjustment on disposals	-	-	(9.37)	(0.02)	(1.71)	(0.06)	(0.44)	(0.16)	(11.76)
Foreign currency translation	-	0.01	(0.09)	_*	_*	_*	_*	-	(0.08)
<b>As at 31 March 2019</b>	-	<b>1.63</b>	<b>34.56</b>	<b>3.33</b>	<b>19.76</b>	<b>4.37</b>	<b>4.07</b>	<b>4.13</b>	<b>71.85</b>
Charge for the year	-	0.68	9.90	0.75	2.63	0.66	0.89	0.88	16.39
Reversal/adjustment on disposals	-	-	(0.38)	-	(0.34)	(0.04)	(0.04)	(0.41)	(1.21)
Foreign currency translation	-	0.06	-	0.01	_*	_*	_*	-	0.07
<b>As at 31 March 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>
<b>Net block:</b>									
As at 31 March 2020	10.75	9.75	26.38	4.29	2.28	1.00	2.25	2.29	58.99
As at 31 March 2019	10.75	8.89	35.74	4.93	4.85	1.55	3.15	3.25	73.11

\* rounded off to nil

**Note:**

The amount of contractual commitments for the acquisition of property, plant and equipment, but not recognised as a liability as at 31 March 2020 was Nil (31 March 2019: Nil).

NOTE 5: OTHER INTANGIBLE ASSETS:

(₹ in crore)			
	Trademark	Computer software	Total
<b>Gross Block:</b>			
<b>As at 01 April 2018</b>	<b>1.59</b>	<b>0.05</b>	<b>1.64</b>
Additions	-	0.04	0.04
<b>As at 31 March 2019</b>	<b>1.59</b>	<b>0.09</b>	<b>1.68</b>
Additions	-	0.01	0.01
<b>As at 31 March 2020</b>	<b>1.59</b>	<b>0.10</b>	<b>1.69</b>
<b>Accumulated amortisation</b>			
<b>As at 01 April 2018</b>	<b>0.26</b>	<b>0.03</b>	<b>0.29</b>
Amortisation charge for the year	0.16	0.03	0.19
<b>As at 31 March 2019</b>	<b>0.42</b>	<b>0.06</b>	<b>0.48</b>
Amortisation charge for the year	0.16	0.02	0.18
<b>As at 31 March 2020</b>	<b>0.58</b>	<b>0.08</b>	<b>0.66</b>
<b>Net block:</b>			
As at 31 March 2020	1.01	0.02	1.03
As at 31 March 2019	1.17	0.03	1.20


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 6: FINANCIAL ASSETS - LOANS**

(₹ in crore)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Security deposits				
-Considered good- unsecured	19.11	5.85	24.13	5.67
Loan to body corporate (refer note (a) below)				
-Considered good- unsecured	8.23	0.80	8.23	0.74
<b>Total</b>	<b>27.34</b>	<b>6.65</b>	<b>32.36</b>	<b>6.41</b>

(a) Loan has been given to Shivani Sarees Private Limited (a body corporate) for business purposes.

**NOTE 7: OTHER FINANCIAL ASSETS**

(₹ in crore)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
<b>(Unsecured and considered good)</b>				
Deposits with maturity of more than 12 months (refer note (a) below)	1.02	-	3.68	-
Foreign currency receivables, net	-	-	-	47.22
Others	-	0.02	-	0.02
<b>Total</b>	<b>1.02</b>	<b>0.02</b>	<b>3.68</b>	<b>47.24</b>

(a) Held as margin money for procurement of gold from suppliers against letter of credit.	0.08	-	3.50	-
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**NOTE 8: DEFERRED TAX ASSETS (NET)**

(₹ in crore)

	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax asset arising on account of</b>		
Difference between accounting base and tax base of property, plant and equipment	13.28	17.22
Provision for employee benefits	2.18	3.13
Deferred lease rent	7.00	1.45
Provision for discount	1.13	2.68
Financial assets and liabilities at amortised cost	1.61	0.61
Fair valuation of derivatives	-	0.39
Losses carried forward	11.61	9.41
Minimum alternate tax credit entitlement	0.21	0.21
Expected credit loss on trade receivables	15.71	7.73
Valuation of inventory	1.54	-
Others	5.31	5.58
	<b>59.58</b>	<b>48.41</b>
<b>Deferred tax liability arising on account of</b>		
Financial assets at fair value through profit or loss	(0.15)	(0.83)
Valuation of inventory	-	(0.72)
	<b>(0.15)</b>	<b>(1.55)</b>
<b>Net deferred tax assets</b>	<b>59.43</b>	<b>46.86</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

## (a) Changes in deferred tax assets and deferred tax liabilities from 1 April 2019 to 31 March 2020

(₹ in crore)

Particulars	Opening balance as on 1 April 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2020
<b>Deferred tax asset arising on account of</b>					
Difference between accounting base and tax base of property, plant and equipment	17.22	(3.94)	-	-	13.28
Provision for employee benefits	3.13	(0.65)	(0.30)	-	2.18
Deferred lease rent	1.45	(1.92)	-	7.47	7.00
Provision for discount	2.68	(1.55)	-	-	1.13
Financial assets and liabilities at amortised cost	0.61	1.00	-	-	1.61
Fair valuation of derivatives	0.39	(0.39)	-	-	-
Losses carried forward	9.41	2.20	-	-	11.61
Minimum alternate tax credit entitlement	0.21	-	-	-	0.21
Expected credit loss on trade receivables	7.73	7.98	-	-	15.71
Valuation of inventory	(0.72)	2.26	-	-	1.54
Others	5.58	(0.27)	-	-	5.31
	<b>47.69</b>	<b>4.72</b>	<b>(0.30)</b>	<b>7.47</b>	<b>59.58</b>
<b>Deferred tax liability arising on account of</b>					
Financial assets at fair value through profit or loss	(0.83)	0.68	-	-	(0.15)
	<b>(0.83)</b>	<b>0.68</b>	-	-	<b>(0.15)</b>
<b>Net deferred tax assets</b>	<b>46.86</b>	<b>5.40</b>	<b>(0.30)</b>	<b>7.47</b>	<b>59.43</b>

## (b) Changes in deferred tax assets and deferred tax liabilities from 1 April 2018 to 31 March 2019

(₹ in crore)

Particulars	Opening balance as on 1 April 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2019
<b>Deferred tax asset arising on account of</b>					
Difference between accounting base and tax base of property, plant and equipment	13.33	3.89	-	-	17.22
Provision for employee benefits	3.05	0.27	(0.19)	-	3.13
Deferred lease rent	1.90	(0.45)	-	-	1.45
Provision for discount	4.46	(1.78)	-	-	2.68
Financial assets and liabilities at amortised cost	0.61	0.01	-	-	0.61
Fair valuation of derivatives	0.40	(0.01)	-	-	0.39
Losses carried forward	5.94	3.47	-	-	9.41
Minimum alternate tax credit entitlement	0.21	-	-	-	0.21
Expected credit loss on trade receivables	-	7.73	-	-	7.73
Others	-	5.58	-	-	5.58
	<b>29.89</b>	<b>18.71</b>	<b>(0.19)</b>	-	<b>48.41</b>
<b>Deferred tax liability arising on account of</b>					
Financial assets at fair value through profit or loss	(0.45)	(0.38)	-	-	(0.83)
Valuation of inventory	(4.83)	4.11	-	-	(0.72)
	<b>(5.28)</b>	<b>3.73</b>	-	-	<b>(1.55)</b>
<b>Net deferred tax assets</b>	<b>24.61</b>	<b>22.44</b>	<b>(0.19)</b>	-	<b>46.86</b>


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 9: OTHER ASSETS**

(₹ in crore)

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
Capital advances	0.08	-	0.41	-
Advance to suppliers	-	38.19	-	36.97
Balances with statutory authorities	3.18	26.16	3.18	28.34
Prepaid expenses	11.70	4.33	19.39	6.13
Others	-	7.68	-	15.26
	<b>14.96</b>	<b>76.36</b>	<b>22.98</b>	<b>86.70</b>
Less: Provision for doubtful advance	-	-	-	(1.68)
	<b>14.96</b>	<b>76.36</b>	<b>22.98</b>	<b>85.02</b>

**NOTE 10: INVENTORIES**

(valued at lower of cost and net realisable value)

(₹ in crore)

	As at 31 March 2020	As at 31 March 2019
Raw materials	352.37	366.27
Work-in-progress	1,661.24	1,482.55
Finished goods	3,392.13	3,149.21
Stock-in-trade	8.00	14.35
	<b>5,413.74</b>	<b>5,012.38</b>

**NOTE 11: CURRENT FINANCIAL ASSETS - INVESTMENTS**

(₹ in crore)

	As at 31 March 2020	As at 31 March 2019
<b>Investment in mutual funds (quoted) - at fair value through profit and loss</b>		
Canara Robeco Capital Protection Oriented Fund Series 8 Regular Growth Plan (31 March 2020: 1,500,000 units, 31 March 2019: 1,500,000 units)	1.75	1.67
State Bank of India dual advantage fund - Series - XXIII Regular Growth Plan (31 March 2020: 1,500,000 units, 31 March 2019: 1,500,000 units)	1.58	1.61
Union Capital Protection Oriented Fund Series 8- Regular Growth Plan (31 March 2020: 1,500,000 units, 31 March 2019: 1,500,000 units)	1.55	1.62
Union Corporate Bond Fund - Regular Growth Plan (31 March 2020: 1,076,745 units, 31 March 2019: 1,076,745 units)	1.20	1.15
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth Plan (31 March 2020: 600,000 units, 31 March 2019: 600,000 units)	0.67	0.64
Canara Robeco Capital Protection Oriented Fund Series 10 Regular Growth Plan (31 March 2020: 250,000 units, 31 March 2019: 250,000 units)	0.26	0.25
ICICI Prudential Corporate Bond Fund - Regular Growth Plan (31 March 2020: 71,825 units, 31 March 2019: 71,825 units)	0.23	0.20
HDFC Top 100 Fund-Growth Plan (31 March 2020: 4,661 units, 31 March 2019: 4,661 units)	0.16	0.23
State Bank of India Magnum Balanced Fund - Regular Growth Plan (31 March 2020: 10,628 units, 31 March 2019: 10,628 units)	0.13	0.15
Canara Robeco Capital Protection Oriented Fund Series 7 Regular Growth Plan (31 March 2020: Nil units, 31 March 2019: 750,000 units)	-	0.87
	<b>7.53</b>	<b>8.39</b>
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>7.53</b>	<b>8.39</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

## NOTE 12: TRADE RECEIVABLES

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Considered good - secured	-	-
Considered good - unsecured	1,880.62	1,987.35
Credit impaired	63.40	22.11
Less: Loss allowance	(63.40)	(22.11)
	<b>1,880.62</b>	<b>1,987.35</b>

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

## NOTE 13: CASH AND CASH EQUIVALENTS

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Balances with banks - in current accounts	15.32	18.44
Cheques on hand	0.53	1.55
Cash on hand	10.23	12.22
Deposits with original maturity of less than 3 months	1.97	53.14
	<b>28.05</b>	<b>85.35</b>

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

## NOTE 14: OTHER BANK BALANCES

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Deposits with maturity of more than 3 months but less than 12 months (refer note a & b below)	212.08	236.09
Unclaimed dividend account (refer note c below)	0.12	0.12
	<b>212.20</b>	<b>236.21</b>
(a) Held as margin money for procurement of gold from suppliers against letter of credit.	93.19	165.65
(b) <i>Inter-alia</i> includes deposits of ₹ 2.43 crore (31 March 2019: ₹29.31 crore) which are earmarked.		
(c) Not due for deposit to the Investor Education and Protection Fund.		

## NOTE 15: EQUITY SHARE CAPITAL

	(₹ in crore)	
	Number of shares	Amount
<b>a) Authorised share capital</b>		
<b>Equity shares of ₹ 10 each</b>		
Total authorised equity share capital as at 31 March 2020/31 March 2019/1 April 2018	440,000,000	440.00
<b>Preference shares of ₹ 10 each</b>		
Total authorised preference share capital as at 31 March 2020/31 March 2019/1 April 2018	260,000,000	260.00


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**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 2018	394,355,200	394.36
Issued on exercise of employee stock options	292,787	0.29
<b>Balance as at 31 March 2019</b>	<b>394,647,987</b>	<b>394.65</b>
Issued on exercise of employee stock options	354,895	0.35
<b>Shares issued and fully paid as at 31 March 2020</b>	<b>395,002,882</b>	<b>395.00</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 any of 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.

**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 Parent Company. Information relating to Employees' stock option plan, including details of options issued, 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 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
<b>Equity shares of ₹ 10 each</b>				
Mr. Balram Garg	133,952,100	33.91%	133,952,100	33.94%
Mr. Sachin Gupta	48,462,813	12.27%	90,443,600	22.92%
	<b>182,414,913</b>	<b>46.18%</b>	<b>224,395,700</b>	<b>56.86%</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.

- e) 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 2020	As at 31 March 2019
Retained earnings	2,581.49	2,520.75
General reserve	54.54	54.54
Securities premium	925.98	911.45
Share options outstanding account	36.56	42.41
Foreign currency translation reserve	9.45	(3.14)
	<b>3,608.02</b>	<b>3,526.01</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**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 Act, 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 (₹). Some of the Group's entities prepares their financial statements in other foreign currencies and their 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.

**NOTE 17: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

					(₹ in crore)
	Interest rate	Maturity date	As at 31 March 2020	As at 31 March 2019	Remarks
<b>Secured</b>					
Vehicle loans	8.25%-10.65%	May 2024	1.40	2.28	Refer note (i)
Term loans from banks	11.45%	November 2020	10.60	27.58	Refer note (ii)
			<b>12.00</b>	<b>29.86</b>	
Less: Current maturities of long term borrowings (refer note 21)			(11.34)	(18.28)	
<b>Total</b>			<b>0.66</b>	<b>11.58</b>	

(i) Vehicle loans are secured by way of hypothecation of assets, thus purchased.

(ii) Term loans from banks (including current maturities) aggregating to ₹ 10.60 crore (31 March 2019: ₹ 27.58 crore) are secured against first and exclusive registered mortgage charge on immovable properties belonging to the other body corporates. These loans are further fully secured by personal guarantees of promoter director and corporate guarantees of the said body corporates.

**NOTE 18: PROVISIONS**

					(₹ in crore)
	As at 31 March 2020		As at 31 March 2019		
	Non-current	Current	Non-current	Current	
Provision for employee benefits obligations (refer note 35)	5.81	2.84	6.70	2.27	
Provision for unascertained tax liability (refer note below)	38.48	-	38.48	-	
	<b>44.29</b>	<b>2.84</b>	<b>45.18</b>	<b>2.27</b>	


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

**Note:** The following is the movement in provision for tax liability from the beginning to the close of the reporting period:

	As at 31 March 2020	As at 31 March 2019
Balances as at the beginning of the year	38.48	-
Add: Provision made during the year	-	38.48
Less: Utilised during the year	-	-
Less: Written back during the year	-	-
Balance as th the end of the year	<b>38.48</b>	<b>38.48</b>

**NOTE 19: CURRENT FINANCIAL LIABILITIES - BORROWINGS**

	Interest rate	Maturity date	As at 31 March 2020	As at 31 March 2019	Remarks
<b>Secured (carried at amortised cost)</b>					
From banks:					
Cash credit facilities	9.65% - 15.00%	Payable on demand	886.52	2,023.00	Refer note (i)
Packing credit facilities	4.65%-9.25%	Payable on demand	-	19.53	Refer note (i)
Demand loans	10.00% - 15.00%	Payable on demand	1,180.46	30.00	Refer note (i)
Bank overdraft	18.00%	Payable on demand	-	18.12	Refer note (i)
<b>Total</b>			<b>2,066.98</b>	<b>2,090.65</b>	
<b>Unsecured</b>					
Loan from related party	Interest free	Payable on demand	215.42	-	Refer note (ii)
Loan from others	Interest free	Payable on demand	0.03	0.03	Refer note (iii)
<b>Total current financial liabilities- borrowings</b>			<b>2,282.43</b>	<b>2,090.68</b>	

(i) Cash credit facilities, packing credit facilities, post shipment credit facilities, demand loans, commercial papers and bank overdraft are secured against first pari passu charge on current assets, fixed assets and fixed deposits of the Parent Company. These loans are further fully secured by personal guarantees of promoter director and their relatives and corporate guarantees and collateral securities of other companies.

(ii) During the year, the Parent Company has received an interest free loan from a related party which is repayable on demand. (refer note 37)

(iii) The aforementioned loan represents interest free loan availed from late Padam Chand Gupta. However, due to demise of the said director on 28 January 2019, it ceased to be the loan from related party thereafter.

**NOTE 20: TRADE PAYABLES**

	As at 31 March 2020	As at 31 March 2019
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	1.49	0.65
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,088.57	1,261.12
	<b>1,090.06</b>	<b>1,261.77</b>

\* Includes gold on lease ₹ 1,045.90 crore (31 March 2019: ₹ 1,120.20 crore) on which interest is charged at 2.25% to 3.25% per annum (31 March 2019: 1.75% to 3.25% per annum).

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 21: OTHER CURRENT FINANCIAL LIABILITIES**

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Current maturities of long term debt (refer note 17)	11.34	18.28
Interest accrued but not due on borrowings	8.66	3.03
Unpaid dividends*	0.12	0.12
Application money received for allotment of securities to the extent refundable	-	0.02
Creditors for capital goods	0.30	1.81
Employee related payables	5.32	6.20
Foreign currency payables, net	46.95	-
Others	38.73	25.22
	<b>111.42</b>	<b>54.68</b>

\*Not due for deposit to the Investor Education and Protection Fund

**NOTE 22: OTHER CURRENT LIABILITIES**

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Advances received from customers	57.68	6.24
Deposits received from customers	36.42	141.85
Statutory dues payable	1.65	10.61
Others	6.00	17.01
	<b>101.75</b>	<b>175.71</b>

**NOTE 23: CURRENT TAX LIABILITIES (NET)**

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Provision for income-tax (net of prepaid taxes)	126.13	86.92
	<b>126.13</b>	<b>86.92</b>

**NOTE 24: REVENUE FROM OPERATIONS**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Sale of products	5,206.77	8,679.96
	<b>5,206.77</b>	<b>8,679.96</b>

**NOTE 25: OTHER INCOME**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest income on:		
fixed deposits with banks	13.53	44.76
loan to a body corporate	0.51	0.83
other financial assets carried at amortised cost	3.42	5.76
Gain on investments measured at FVTPL	-	0.84
Duty drawback on export	-	1.84
Profit on termination of right-of-use assets*	0.46	-
Net gain on foreign currency transactions and translations	52.85	25.29
Profit on modification of lease	3.05	-
Other non-operating income	6.60	5.00
	<b>80.42</b>	<b>84.32</b>

\* net of loss on disposal of property, plant and equipment amounting to ₹ 0.36 crore.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 26: COST OF MATERIALS CONSUMED**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Raw material</b>		
Balance at the beginning of the year	366.27	672.27
Add: purchases during the year	4,918.17	7,803.49
Balance at the end of the year	352.37	366.27
	<b>4,932.07</b>	<b>8,109.49</b>

**NOTE 27: PURCHASES OF STOCK-IN-TRADE**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Purchases of stock-in-trade	34.17	25.62
	<b>34.17</b>	<b>25.62</b>

**NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Opening balance</b>		
Work-in-progress	1,482.55	2,182.07
Finished goods	3,149.21	2,272.70
Stock-in-trade	14.35	130.55
	<b>4,646.11</b>	<b>4,585.32</b>
<b>Closing balance</b>		
Work-in-progress	1,661.24	1,482.55
Finished goods	3,392.13	3,149.21
Stock-in-trade	8.00	14.35
	<b>5,061.37</b>	<b>4,646.11</b>
Other inventory adjustments	(1.08)	0.94
	<b>(414.18)</b>	<b>(61.73)</b>

**NOTE 29: EMPLOYEE BENEFITS EXPENSE**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and wages	63.83	74.54
Contribution to provident and other funds	3.15	4.33
Share based payments to employees	8.82	38.44
Staff welfare expenses	2.44	2.98
	<b>78.24</b>	<b>120.29</b>

**NOTE 30: FINANCE COSTS**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense on financial liabilities at amortised cost#	314.71	308.79
Interest on late deposit of advance tax	14.88	7.38
Interest on lease liabilities	14.21	-
Other finance costs	25.42	29.33
	<b>369.22</b>	<b>345.50</b>

# includes ₹ 51.53 crore (previous year ₹ 111.14 crore) as finance cost on gold on lease included in trade payables.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment	16.39	18.71
Amortisation of right-of-use assets	20.79	-
Amortisation of intangible assets	0.18	0.19
	<b>37.36</b>	<b>18.90</b>

**NOTE 32: OTHER EXPENSES**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Advertisement and publicity	14.07	22.74
Labour charges	11.05	16.14
Hallmarking charges	0.86	2.84
Consumption of packing material	3.97	1.71
Rent (refer note 45)	6.54	55.20
Business promotion	2.45	10.57
Communication	3.12	4.45
Repairs and maintenance		
-building	0.05	0.24
-others	4.57	4.08
Discount and commission	1.27	7.85
Electricity and water	7.56	9.34
Vehicle running and maintenance	0.84	1.01
Insurance	1.16	1.32
Legal and professional (including payment to auditors) (refer note (a) below)	7.08	7.98
Rates and taxes	0.68	1.41
Printing and stationery	0.59	0.67
Security expenses	5.95	6.70
Travelling and conveyance	1.43	1.65
Advances written off (net of provision for doubtful advance)	3.16	1.23
Provision on advance to suppliers	-	1.68
Expected credit loss on trade receivables	41.29	22.11
Net loss on disposal of property, plant and equipment	-	7.64
Bad debts written off	0.35	-
Loss on investments measured at FVTPL	0.11	-
Bank charges	5.22	8.71
Donation	0.41	1.03
Expenditure on corporate social responsibility activities (refer note 46)	-	3.00
Miscellaneous expenses	1.21	2.91
	<b>124.99</b>	<b>204.21</b>
(a) <b>Payment to the auditors:</b>		
- As auditors	0.66	0.84
- For other services (including limited reviews)	0.62	0.48
- For reimbursement of expenses	0.06	0.05
<b>Total</b>	<b>1.34</b>	<b>1.37</b>


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 33: CURRENT TAX**
**(a) Income-tax expense through the statement of profit and loss**

Particulars	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Current tax:</b>		
Current tax on profits for the year	47.68	23.82
Adjustments for current tax of prior periods	-	0.01
	<b>47.68</b>	<b>23.83</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	(5.40)	(22.44)
<b>Total tax expense</b>	<b>42.28</b>	<b>1.39</b>

**(b) Income-tax on other comprehensive income**

Particulars	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Re-measurement of defined benefit obligations	(0.30)	(0.19)
<b>Total tax expense recognised in other comprehensive income</b>	<b>(0.30)</b>	<b>(0.19)</b>

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Accounting profit before income-tax</b>	125.32	2.00
Applicable Indian statutory income-tax rate	25.17%	34.94%
Computed expected tax expense	31.54	0.70
Prior period adjustments	-	0.01
Effect of non-deductible expenses	3.45	6.73
Effect of (higher)/lower tax rate on subsidiaries	(0.04)	1.51
Effect of no tax on a foreign subsidiary	(1.23)	(2.89)
Income exempt from tax (refer note (a) & (c) below)	-	(0.32)
Change due to adoption of new tax rate (refer note (b) below)	10.35	-
Others	(1.79)	(4.35)
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>42.28</b>	<b>1.39</b>

**Note:**

- The Parent Company has three manufacturing units located in Noida Special Economic Zone, namely, unit I, unit II and unit III. Unit III is fully exempt from income tax till 31 March 2021. Remaining units, i.e., unit I and unit II are partially exempted till 31 March 2022 and 31 March 2025 respectively under the provisions of Section 10AA of the Income-tax Act, 1961. Pertaining to exercise of the new tax rate, the Parent Company has not availed the exemption from 01 April 2019.
- During the year, the Parent Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Parent Company has recognised provision for income-tax for the year ended 31 March 2020 basis the revised rates resulting in a reduction in current tax expense. The Parent Company has also re-measured its deferred tax asset on the basis of the reduced rate.
- The Parent Company's manufacturing unit located in Dehradun was eligible for the deduction of 100% of the profits and gains of the unit for the first 5 consecutive years and 30% for the next 5 consecutive years under Section 80 IC of the Income - tax Act, 1961 till 31 March 2019.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

## NOTE 34: EARNINGS PER SHARE

Particulars	Units	Year ended 31 March 2020	Year ended 31 March 2019
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	83.04	0.61
<b>Weighted average number of equity shares for basic earnings per share</b>		<b>394,876,826</b>	<b>394,562,992</b>
Effect of exercise of share options		844,947	917,677
<b>Weighted average number of equity shares for diluted earnings per share</b>		<b>395,721,773</b>	<b>395,480,669</b>
Basic earnings per share	₹	2.10	0.02
Diluted earnings per share	₹	2.10	0.02

## NOTE 35: EMPLOYEE BENEFITS

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Provision for gratuity	7.04	7.26
Provision for compensated absences	1.61	1.71
	<b>8.65</b>	<b>8.97</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 2020	As at 31 March 2019
<b>Change in the present value of the defined benefit obligation:</b>		
Opening defined benefit obligation	7.26	6.96
Interest cost	0.52	0.52
Current service cost	1.08	1.32
Benefits paid	(0.66)	(0.99)
Actuarial (gains) on obligation	(1.16)	(0.55)
<b>Closing defined benefit obligation</b>	<b>7.04</b>	<b>7.26</b>
<b>Expense recognised in the statement of profit and loss:</b>		
Current service cost	1.08	1.32
Interest cost	0.52	0.52
	<b>1.60</b>	<b>1.84</b>
<b>(Income) recognised in the other comprehensive income:</b>		
Net actuarial (gain) in the year	(1.16)	(0.55)
	<b>(1.16)</b>	<b>(0.55)</b>
<b>Net expense recognised in the total comprehensive income</b>	<b>0.44</b>	<b>1.29</b>
<b>Breakup of actuarial (gain)/loss</b>		
Actuarial gain arising from change in demographic assumption	(0.08)	-
Actuarial (gain)/loss arising from change in financial assumption	(0.65)	0.10
Actuarial gain arising from experience adjustment	(0.43)	(0.65)
	<b>(1.16)</b>	<b>(0.55)</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**Actuarial assumptions used**

	As at 31 March 2020	As at 31 March 2019
Discount rate	5.6% - 6.75%	7.00% - 7.50%
Long-term rate of compensation increase	5.00%	8.00% - 10.00%
Average remaining life	26.50 - 27.47	26.60 - 28.18

**Demographic assumptions used**

	As at 31 March 2020	As at 31 March 2019
Mortality table	IALM(2012-14)	IALM(2006-08)
Retirement age	60 years	60 years
Average remaining life	26.50 - 27.47	26.60 - 28.18

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 2020		As at 31 March 2019	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
<b>Discount rate</b>				
(Decrease)/ increase in the defined benefit liability	(0.19)	0.20	(0.25)	0.26
<b>Salary growth rate</b>				
Increase/ (decrease) in the defined benefit liability	0.19	(0.18)	0.25	(0.23)
<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(y) of the consolidated 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 Group expects contributions of ₹ 1.86 crore (31 March 2019 : ₹ 1.95 crore) in the next 12 months.

**Amounts for the current and previous four years are as follows:**

	(₹ in crore)				
	2019-20	2018-19	2017-18	2016-17	2015-16
Defined benefit obligations	7.04	7.26	6.82	5.62	3.85
Experience gain/(loss) adjustments on planned liabilities	0.43	0.65	(0.48)	(0.10)	0.50

**Compensated absences**

The leave obligations cover the Parent Company's liability for sick and earned leaves. The Parent Company does not have an unconditional

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

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	As at 31 March 2020	As at 31 March 2019
Discount rate	5.60%	7.00%
Expected salary escalation rate	5.00%	10.00%

### 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 ₹2.29 crore (31 March 2019: ₹ 2.92 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 shares 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.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

(b) Set out below is a summary of options granted under the Plan:

	31 March 2020		31 March 2019	
	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>1,258,250</b>	<b>10.00</b>	<b>1,626,037</b>
Options granted during the year	10.00	-	10.00	-
Options exercised during the year	10.00	354,895	10.00	292,787
Options lapsed during the year	10.00	-	10.00	75,000
<b>Balance at the end of the year</b>	<b>10.00</b>	<b>903,355</b>	<b>10.00</b>	<b>1,258,250</b>
Vested and exercisable	10.00	731,820	10.00	398,940

(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 2020	Share options outstanding as on 31 March 2019
	31 March 2020	31 March 2019					
14 May 2015	3.12	4.12	13 May 2023	10.00	726,300	330,300	480,700
25 May 2017	5.16	6.16	24 May 2025	10.00	50,000	35,000	45,000
01 August 2017	5.34	6.34	31 July 2025	10.00	100,000	70,000	90,000
19 January 2018	5.81	6.81	18 January 2026	10.00	882,537	468,055	642,550
<b>Total</b>						<b>903,355</b>	<b>1,258,250</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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 37: RELATED PARTY TRANSACTIONS:**

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

**List of related parties**

Relationship	Name of the related party
Key management personnel (KMP)*	Late Mr. Padam Chand Gupta (up till 28 January 2019)
	Mr. Balram Garg (Promoter and Managing Director)
Relatives of key management personnel	Mr. Nitin Gupta (Son of Late Mr. Padam Chand Gupta) - (up till 28 January 2019)
	Mr. Sachin Gupta (Son of Late Mr. Padam Chand Gupta) - (up till 28 January 2019)
Other entities in which KMP has significant influence	Padam Chand, Hindu Undivided Family (up till 28 January 2019)
	Balram Garg, Hindu Undivided Family
	Shivani Sarees Private Limited (from 17 May 2018 till 28 January 2019)

\*Also refer note 15(d) for parties with more than 5% voting rights.

Details of transaction between the Group and its related parties are disclosed below:

Particulars	(₹ in crore)			
	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Group	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Interest income on loan</b>				
Shivani Sarees Private Limited	-	-	-	0.58
	-	-	-	<b>0.58</b>
<b>Remuneration recovered</b>				
Mr. Balram Garg	4.87	-	-	-
	<b>4.87</b>	-	-	-
<b>Loan received</b>				
Mr. Balram Garg	215.42	-	-	-
	<b>215.42</b>	-	-	-
<b>Remuneration paid*</b>				
Mr. Balram Garg	2.40	1.55	-	-
Mr. Nitin Gupta	-	0.32	-	-
Others	-	0.03	-	-
	<b>2.40</b>	<b>1.90</b>	-	-
<b>Rent paid</b>				
Late Mr. Padam Chand Gupta	-	4.05	-	-
Mr. Balram Garg	0.04	0.33	-	-
Mr. Nitin Gupta	-	0.57	-	-
Mr. Sachin Gupta	-	0.57	-	-
Shivani Sarees Private Limited	-	-	-	0.66
	<b>0.04</b>	<b>5.52</b>	-	<b>0.66</b>
<b>Final dividend paid</b>				
Mr. Balram Garg	-	6.70	-	-
Late Mr. Padam Chand Gupta	-	4.52	-	-
Others	-	0.03	-	0.11
	-	<b>11.25</b>	-	<b>0.11</b>
<b>Sitting fees paid</b>				
Late Mr. Padam Chand Gupta	-	0.01	-	-
	-	<b>0.01</b>	-	-

\* exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done for the Group as a whole.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

(₹ in crore)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Group	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Balance outstanding at the year end</b>				
<b>Other current assets - remuneration recoverable</b>				
Mr. Balram Garg	-	4.87	-	-
	-	<b>4.87</b>	-	-
<b>Loan outstanding</b>				
Mr. Balram Garg	215.42	-	-	-
	<b>215.42</b>	-	-	-

During the year, the Parent Company has paid short-term employee benefits amounting ₹ 2.40 crore (previous year ₹ 1.55 crore) included in Key management personnel's compensation. As the liability for gratuity and leave encashment are provided on actuarial basis for the Group as a whole, amounts accrued pertaining to key management personnel are not included.

**NOTE 38: SEGMENT REPORTING**

The Group is engaged in the business of manufacture, trading and sale of gold jewellery, 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.

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 2020**

(₹ in crore)

	Export		Domestic		Total before eliminations		Eliminations		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Revenue</b>										
Sale of goods	968.77	1,771.85	4,333.03	6,990.33	5,301.80	8,762.18	95.03	82.22	<b>5,206.77</b>	<b>8,679.96</b>
<b>Total Revenue</b>	<b>968.77</b>	<b>1,771.85</b>	<b>4,333.03</b>	<b>6,990.33</b>	<b>5,301.80</b>	<b>8,762.18</b>	<b>95.03</b>	<b>82.22</b>	<b>5,206.77</b>	<b>8,679.96</b>
Finance income	3.59	24.14	20.92	42.55	24.51	66.69	7.05	14.51	<b>17.46</b>	<b>52.18</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(₹ in crore)

	Export		Domestic		Total before eliminations		Eliminations		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Segment results</b>										
Total profit before finance cost and unallocable expenditure	47.49	(387.33)	453.47	748.15	500.96	360.82	1.29	2.80	<b>499.67</b>	<b>358.02</b>
Finance cost	29.49	107.10	331.91	245.53	361.40	352.63	7.05	14.51	<b>354.34</b>	<b>338.12</b>
Unallocated expense	-	-	-	-	21.38	17.90	1.37	-	<b>20.01</b>	<b>17.90</b>
<b>Net profit/(loss) before tax</b>	<b>18.00</b>	<b>(494.43)</b>	<b>121.56</b>	<b>502.62</b>	<b>118.18</b>	<b>(9.71)</b>	<b>(7.13)</b>	<b>(11.71)</b>	<b>125.32</b>	<b>2.00</b>
Income tax expense	-	-	-	-	42.28	1.39	-	-	<b>42.28</b>	<b>1.39</b>
<b>Net profit/(loss) after tax</b>	<b>18.00</b>	<b>(494.43)</b>	<b>121.56</b>	<b>502.62</b>	<b>75.90</b>	<b>(11.10)</b>	<b>(7.13)</b>	<b>(11.71)</b>	<b>83.04</b>	<b>0.61</b>
<b>Assets</b>										
<b>Segment assets</b>	2,180.20	2,134.97	7,252.80	7,726.49	9,433.00	9,861.46	1,590.57	2,266.53	<b>7,842.43</b>	<b>7,594.93</b>
Unallocated assets	-	-	-	-	342.23	347.94	287.39	293.42	<b>54.84</b>	<b>54.52</b>
<b>Total assets</b>	<b>2,180.20</b>	<b>2,134.97</b>	<b>7,252.80</b>	<b>7,726.49</b>	<b>9,775.23</b>	<b>10,209.40</b>	<b>1,877.96</b>	<b>2,559.95</b>	<b>7,897.27</b>	<b>7,649.45</b>
<b>Liabilities</b>										
Segment liabilities	1,947.94	2,629.15	3,532.15	3,400.20	5,480.09	6,029.35	1,758.87	2,434.75	3,721.22	3,594.60
Unallocated liabilities	-	-	-	-	173.03	134.19	-	-	173.03	134.19
<b>Total liabilities</b>	<b>1,947.94</b>	<b>2,629.15</b>	<b>3,532.15</b>	<b>3,400.20</b>	<b>5,653.12</b>	<b>6,163.54</b>	<b>1,758.87</b>	<b>2,434.75</b>	<b>3,894.25</b>	<b>3,728.79</b>
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts										
Capital expenditure	-	0.19	2.27	8.97	2.27	9.15	-	-	<b>2.27</b>	<b>9.15</b>
<b>Total capital expenditure</b>	<b>-</b>	<b>0.19</b>	<b>2.27</b>	<b>8.97</b>	<b>2.27</b>	<b>9.15</b>	<b>-</b>	<b>-</b>	<b>2.27</b>	<b>9.15</b>
Depreciation and amortisation	0.67	0.76	36.69	18.14	37.36	18.90	-	-	37.36	18.90
<b>Total depreciation and amortisation</b>	<b>0.67</b>	<b>0.76</b>	<b>36.69</b>	<b>18.14</b>	<b>37.36</b>	<b>18.90</b>	<b>-</b>	<b>-</b>	<b>37.36</b>	<b>18.90</b>
<b>Non cash expenditures other than depreciation (net)</b>										
Unrealised foreign exchange gain	(53.99)	(122.14)	4.77	(0.30)	(49.22)	(122.44)	-	-	<b>(49.22)</b>	<b>(122.44)</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.

**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.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**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 2020**

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 2020, there is no impact of change in fair value of the hedged item i.e. inventory of gold.

**As at 31 March 2019**

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	704.22	-	Not applicable	Not applicable	Range - within 6 months	1:1	Inventory	(15.96)
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	15.96	-	Range - within 6 months		Trade payables	15.96

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.

**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).



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

## 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 2020</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	7.53	-	-	<b>7.53</b>
<b>Total financial assets</b>	<b>7.53</b>	-	-	<b>7.53</b>
<b>Financial liabilities</b>				
<b>Derivative instruments</b>				
Forward contracts	-	46.95	-	<b>46.95</b>
<b>Total financial liabilities</b>	-	<b>46.95</b>	-	<b>46.95</b>
<b>As at 31 March 2019</b>				
<b>Financial assets</b>				
<b>Investments at fair value through profit or loss</b>				
Mutual funds	8.39	-	-	<b>8.39</b>
<b>Derivative instruments</b>				
Option to fix prices of gold in purchase contracts	15.96	-	-	<b>15.96</b>
Forward contracts	-	47.22	-	<b>47.22</b>
<b>Total financial assets</b>	<b>24.35</b>	<b>47.22</b>	-	<b>71.57</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.

## NOTE 41: FINANCIAL RISK MANAGEMENT

## i) Financial instruments by category

(₹ in crore)

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments				
- mutual funds	7.53	-	8.39	-
Loans to body corporate	-	9.03	-	8.97
Trade receivables	-	1,880.62	-	1,987.35
Security deposits	-	24.96	-	29.80
Cash and cash equivalents	-	28.05	-	85.35
Other receivables	-	0.02	-	0.02
Derivative financial asset	-	-	47.22	-
Unclaimed dividend account	-	0.12	-	0.12
Bank deposits	-	213.10	-	239.77
<b>Total</b>	<b>7.53</b>	<b>2,155.90</b>	<b>55.61</b>	<b>2,351.38</b>


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

Particulars	(₹ in crore)			
	31 March 2020		31 March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial liabilities</b>				
Borrowings	-	2,303.09	-	2,123.56
Trade payables*	-	1,090.06	-	1,261.77
Lease liabilities	-	134.66	-	-
Derivative financial liabilities	46.95	-	-	-
Other financial liabilities	-	44.47	-	33.38
<b>Total</b>	<b>46.95</b>	<b>3,572.28</b>	<b>-</b>	<b>3,418.71</b>

\* Trade payables for 31 March 2019 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 Rs. 15.96 crore as at 31 March 2019 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 2020 and 31 March 2019:

Particulars	(₹ in crore)		
	Amount of trade payables	Gross amounts set off/added to the balance sheet	Amounts presented in the balance sheet
31 March 2020	1,090.06	-	1,090.06
31 March 2019	1,277.73	(15.96)	1,261.77

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.

**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	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting sensitivity analysis	Forward contracts
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Mix of borrowings taken at fixed and floating rates
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	Used as a hedging instrument for gold inventory
Market risk - security price	Investments in mutual funds	Sensitivity analysis	Portfolio diversification

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

The Group's risk management is carried out by a central treasury department of the Group under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, market risk, credit risk and investment of excess liquidity.

### 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 cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The credit risk for cash and cash equivalents, mutual funds, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

Group provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. However, during the current as well as previous year, credit risk has increased significantly, hence the Group has provided for the expected credit loss as per the Group's policy to provide for lifetime expected credit losses upon significant increase in credit risk.

Detail of trade receivables that are past due is given below:

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
Not due	563.72	942.55
0-30 days past due	60.60	13.64
31-60 days past due	24.48	39.47
61-90 days past due	40.00	12.47
More than 90 days past due	1,255.22	1,001.33
Expected credit loss (loss allowance provision)	(63.40)	(22.11)
	<b>1,880.62</b>	<b>1,987.35</b>

Reconciliation of loss allowance provision from beginning to end of reporting period:

	(₹ in crore)
	Trade receivables
Loss allowance on 1 April 2018	-
Loss allowance created during the year	22.11
<b>Loss allowance as on 31 March 2019/ 1 April 2019</b>	<b>22.11</b>
Loss allowance created during the year	41.29
<b>Loss allowance as on 31 March 2020</b>	<b>63.40</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 2020	As at 31 March 2019
<b>Concentration of trade receivables*</b>		
Export wholesale customers	1,835.95	1,950.31
Domestic wholesale customers	7.15	9.48
Franchise stores	37.13	26.00
Others	0.39	1.56
	<b>1,880.62</b>	<b>1,987.35</b>

\*Net of expected credit loss amounting to ₹ 63.40 crore (31 March 2019 : ₹ 22.11 crore)



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31 March 2020	As at 31 March 2019
Expiring within one year (bank overdraft and other facilities)	53.14	246.33
	<b>53.14</b>	<b>246.33</b>

#### 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.

31 March 2020	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)	2,282.43	20.57	0.36	0.24	0.13	2,303.73
Trade payables	-	1,090.06	-	-	-	1,090.06
Other financial liabilities	0.12	44.35	-	-	-	44.47
Lease liabilities (including interest)	-	32.63	31.35	30.05	97.60	191.63
<b>Total</b>	<b>2,282.55</b>	<b>1,187.61</b>	<b>31.71</b>	<b>30.29</b>	<b>97.73</b>	<b>3,629.89</b>

31 March 2019	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)	2,090.68	23.52	11.35	0.35	0.34	2,126.24
Trade payables	-	1,261.77	-	-	-	1,261.77
Other financial liabilities	0.14	33.23	-	-	-	33.37
<b>Total</b>	<b>2,090.82</b>	<b>1,318.52</b>	<b>11.35</b>	<b>0.35</b>	<b>0.34</b>	<b>3,421.38</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. The Group, as per its overall strategy, uses forward contracts to mitigate its risks associated with fluctuations in foreign currency, and such contracts are not designated as hedges under Ind AS 109. The Group does not use forward contracts and swaps for speculative purposes.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

### 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 ₹ 3.78 crore (previous year ₹ 33.43 crore).

### D) Interest rate risk

#### i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

#### *Interest rate risk exposure*

Below is the overall exposure of the Group to interest rate risk:

Particulars	₹ in crore)	
	31 March 2020	31 March 2019
Variable rate borrowing	2,066.98	2,090.65
Fixed rate borrowing	227.45	29.89
<b>Total borrowings</b>	<b>2,294.43</b>	<b>2,120.54</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 ₹ 7.73 crore (previous year ₹ 6.80 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) Price risk

#### 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 fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

#### 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 ₹ 0.28 crore (previous year ₹ 0.27 crore).

#### Exposure from trade payables:

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. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Group.

The Group applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Group's profit for the period.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

### 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.

The Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Particulars	(₹ in crore)	
	31 March 2020	31 March 2019
Non-current borrowings (refer note 17)	0.66	11.58
Current borrowings (refer note 19)	2,282.43	2,090.68
Other financial liability (refer note 21)	20.00	21.31
Less: Cash and cash equivalents (refer note 13)	(28.05)	(85.35)
<b>Net debts</b>	<b>2,275.04</b>	<b>2,038.22</b>
Equity share capital (refer note 15)	395.00	394.65
Other equity (refer note 16)	3,608.02	3,526.01
<b>Total capital</b>	<b>4,003.02</b>	<b>3,920.66</b>
<b>Gearing ratio</b>	<b>56.83%</b>	<b>51.99%</b>

(b) Particulars	(₹ in crore)	
	31 March 2020	31 March 2019
<b>(i) Equity shares</b>		
Final dividend for the year ended 31 March 2018 of ₹ 0.50 per share	-	19.73
Dividend distribution tax on final dividend for the year ended 31 March 2018	-	4.05

### 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 2020	31 March 2019
(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	1.36	0.60
Interest due on above	0.13	0.05
(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.	0.13	0.05
(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.	0.13	0.05

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

**NOTE 44: CONTINGENT LIABILITY**

	(₹ in crore)	
	As at 31 March 2020	As at 31 March 2019
(a) Claims against the Group not acknowledged as debts*#	0.97	0.97
(b) Demand from the income-tax authorities*	5.47	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	-

\*Excluding interest, if any, which is not ascertainable

#The Group has furnished bank guarantees amounting to ₹ 0.42 crore for ongoing litigations

**NOTE 45: LEASES**

The Group has adopted Ind AS 116 'Leases' from 1 April 2019, which resulted in changes in accounting policies in the consolidated financial statements.

Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with three Interpretations (Appendix A 'Operating Leases-Incentives', Appendix B 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease' and Appendix C 'Determining whether an Arrangement contains a Lease'). The Group has used the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and taken the cumulative adjustment to retained earnings, on the date of initial application (1 April 2019). Accordingly, comparatives for the year ended 31 March 2019 have not be retrospectively adjusted.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from Ind AS 17 and Appendix C and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and Appendix C.

On adoption of Ind AS 116, the Group recognised lease liabilities and right of use assets in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 "Leases", except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 11.50%.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 01 April 2019. Also, the Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

i) The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 as at 01 April 2019:

	(₹ in crore)		
	Carrying amount at 31 March 2019	Remeasurement	Ind AS 116 carrying amount at 01 April 2019
Right-of-use assets	-	120.81	120.81
Lease liabilities	-	(151.09)	(151.09)
Deferred lease rent	(2.46)	2.46	-
Retained earnings	2,520.75	23.16	2,543.91
Deferred tax assets	46.86	7.47	54.33
Other non-current assets- Prepaid expenses	19.39	(0.77)	18.62
Other current assets- Prepaid expenses	6.13	(2.04)	4.09
<b>Total</b>	<b>2,590.67</b>	-	<b>2,590.67</b>

ii) The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 01 April 2019:

	(₹ in crore)
Particulars	Amount
<b>Total operating lease commitments disclosed at 31 March 2019</b>	209.14
Recognition exemptions:	
• Leases with remaining lease term of less than 12 months	(2.86)
Cancellable leases considered lease term under Ind AS 116	3.52
<b>Operating lease liabilities before discounting</b>	<b>209.80</b>
Discounted using incremental borrowing rate	(58.71)
<b>Total lease liabilities recognised under Ind AS 116 at 01 April 2019</b>	<b>151.09</b>

The net impact on retained earnings on 1 April 2019 was a decrease of ₹ 23.16 crore (net of adjustment of deferred tax).

iii) Lease liabilities are presented in the statement of financial position as follows:

	(₹ in crore)
Particulars	As at 31 March 2020
Current	31.07
Non-current	103.60
<b>Total</b>	<b>134.67</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 marketing 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.



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**

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.

- iv) The recognised right-of-use assets relate to the retail outlets and other marketing offices as at 31 March 2020.

Particulars	(₹ in crore)
	Amount
<b>Right-of-use assets- retail outlets and other marketing offices</b>	
Balance as at 1 April 2019 (on account of initial application of Ind AS 116)	<b>120.81</b>
Add: Additions on account of new leases entered during the year	39.44
Less: Termination/ modifications	30.88
Less: Amortisation expense charged on the right-of-use assets	20.79
<b>Balance as at 31 March 2020</b>	<b>108.58</b>

- v) The following are amounts recognised in the statement of profit and loss:

Particulars	(₹ in crore)
	Year ended 31 March 2020
Amortisation expense of right-of-use assets	20.79
Interest expense on lease liabilities	14.21
Rent expense	6.54
<b>Total</b>	<b>41.54</b>

- vi) Lease payments not recognised as a liability

Particulars	(₹ in crore)
	Year ended 31 March 2020
Expenses relating to short term leases (included in other expenses)	6.08
Expenses relating to variable lease payments not included in lease payments	0.46
<b>Total</b>	<b>6.54</b>

- vii) At 31 March 2020, the Group was committed to short-term leases and the total commitment at that date was ₹ 0.94 crore.

- viii) Total cash outflow for leases for the year ended 31 March 2020 was ₹ 33.62 crore.

- ix) 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	75	1-9	4.78

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.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**x) Disclosures under Ind AS 17 for the year ended 31 March 2019**
**Operating leases- assets taken on lease**

Minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Particulars	(₹ in crore)
	31 March 2019
Upto one year	42.31
Two to five years	123.84
More than five years	42.99
<b>Total</b>	<b>209.14</b>
Lease payments under operating leases disclosed as 'rent' in the statement of profit and loss	55.20

**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.

- Gross amount required to be spent by the Parent Company during the year is ₹ 8.72 crore (31 March 2019 : ₹ 12.47 crore)
- Amount spent during the year on CSR (excluding 5% administrative expenses)

S.No	Particulars	(₹ in crore)		
		In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	-	-	-

**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 2018</b>	<b>90.80</b>	<b>1,025.00</b>	<b>394.36</b>	-	<b>1,510.16</b>
Proceeds from allotment of employee stock options	-	-	0.15	-	<b>0.15</b>
Allotment of employee stock options due to corporate action	-	-	0.14	-	<b>0.14</b>
Movement in the liability components pertaining to CCD and CCPS	(13.37)	-	-	-	<b>(13.37)</b>
Repayment of non-current borrowings (net)	(33.45)	-	-	-	<b>(33.45)</b>
Payment of dividend on CCPS	(14.12)	-	-	-	<b>(14.12)</b>
Proceeds of current borrowings (net)	-	1,065.68	-	-	<b>1,065.68</b>
<b>Net debt as at 31 March 2019</b>	<b>29.86</b>	<b>2,090.68</b>	<b>394.65</b>	-	<b>2,515.19</b>
Proceeds from allotment of employee stock options	-	-	0.21	-	<b>0.21</b>
Allotment of employee stock options due to corporate action	-	-	0.14	-	<b>0.14</b>
Creation of lease liability under Ind AS 116	-	-	-	151.09	<b>151.09</b>
New leases	-	-	-	37.74	<b>37.74</b>
Termination/modification of leases	-	-	-	(34.75)	<b>(34.75)</b>
Repayment of non-current borrowings	(17.86)	-	-	-	<b>(17.86)</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

(₹ in crore)

Particulars	Long term borrowings	Short term borrowings	Equity share capital	Lease liabilities	Total
Payment of lease liabilities	-	-	-	(33.62)	(33.62)
Payment of interest on lease liabilities	-	-	-	14.21	14.21
Proceeds of current borrowings (net)	-	191.75	-	-	191.75
<b>Net debt as at 31 March 2020</b>	<b>12.00</b>	<b>2,282.43</b>	<b>395.00</b>	<b>134.67</b>	<b>2,824.10</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;
- (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 2020	Year ended 31 March 2019
<b>Revenue by geography</b>		
Export	968.77	1,771.85
Domestic	4,238.00	6,908.11
<b>Total</b>	<b>5,206.77</b>	<b>8,679.96</b>

**(b) Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

(₹ in crore)

Description	Year ended 31 March 2020	Year ended 31 March 2019
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	1.82	15.94
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

**(c) Assets and liabilities related to contracts with customers**

(₹ in crore)

Description	Year ended 31 March 2020	Year ended 31 March 2019
	Current	Current
<b>Contract liabilities related to sale of goods</b>		
Advance from customers	57.68	6.24


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

Description	(₹ in crore)	
	Year ended 31 March 2020	Year ended 31 March 2019
Contract price	5,214.68	9,196.90
Less: Discount, rebates, credits etc.	7.91	516.94
<b>Revenue from operations as per Statement of Profit and Loss</b>	<b>5,206.77</b>	<b>8,679.96</b>

**(e) Significant changes in contract assets and liabilities**

Description	(₹ in crore)		
	Year ended 31 March 2020	Year ended 31 March 2019	
	Advance from customers	Advance from customers	Deferred income
<b>Opening balance</b>	<b>6.24</b>	<b>18.44</b>	<b>11.18</b>
Add: Addition during the year (net)	53.26	3.74	-
Less: Revenue recognised during the year from opening liability	1.82	15.94	11.18
<b>Closing balance</b>	<b>57.68</b>	<b>6.24</b>	-

**NOTE 49: IMPACT OF COVID-19 CRISIS**

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. In developing the assumptions relating to the possible future uncertainties in the global economic condition because of the pandemic, the Group, as at the date of the approval of these financial statements has used internal and external sources on the expected future performance of the Group. The management of the Group has exercised due care in concluding significant accounting judgements and estimates in preparation of financial statements. Based on current indicators of future economic conditions, the Group expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations. Given the uncertainty because 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 consolidated financial statements.

**NOTE 50: DISCOUNT TO EXPORT CUSTOMERS**

- (a) During the previous 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 to the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2014-15 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 ₹ 89.69 crore. However, for the remaining discounts of ₹ 423.96 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 these consolidated financial statements.
- (b) During the current year, one of the subsidiary company, PC Universal Private Limited has provided discounts to export customers aggregating to ₹ 4.75 crore. This discount is subject to approval from the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2014-15 under the Foreign Exchange Management Act, 1999. The subsidiary company has filed the necessary applications with the appropriate authority to obtain the approval for these discounts. Further, the management does not expect material penalty, if any, to be levied and therefore, no provision for the same has been recognised in these consolidated financial statements.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 51: DELAY IN RECEIPT OF FOREIGN CURRENCY AGAINST EXPORT**

Trade receivables as at 31 March 2020, *inter alia*, include outstanding from export customers of:

- (a) the parent company, aggregating to ₹ 794.07 crore (net of discount explained in note 50 above) which have been outstanding for more than 15 months. The Parent 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 of the Parent Company does not expect any material penalty to be levied on the Parent Company and therefore, no provision for the same has been recognised in these consolidated financial statements.
- (b) a subsidiary company, aggregating to ₹ 45.52 crore which has been outstanding for more than 15 months. The subsidiary 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 these consolidated financial statements with respect to such delay/default.

**NOTE 52: GROUP INFORMATION**

Consolidated financial statements as at 31 March 2020 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 2020	% equity interest as at	
				31 March 2020	31 March 2019
<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 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	100

\* wholly owned subsidiary of PC Jeweller Global DMCC.


**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020**
**NOTE 53: 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	91.82	3,675.48	61.26	50.87	6.32	0.85	53.60	51.72
<b>Subsidiaries:</b>								
<b>Indian:</b>								
PC Universal Private Limited	2.68	107.22	4.54	3.77	-	-	3.91	3.77
Transforming Retail Private Limited	0.09	3.41	15.16	12.59	0.05	- *	13.05	12.59
Luxury Products Trendsetter Private Limited	1.24	49.73	13.47	11.18	0.12	0.02	11.61	11.20
PCJ Gems & Jewellery Limited	- *	0.05	-	-	-	-	-	-
<b>Foreign:</b>								
PC Jeweller Global DMCC	4.17	167.28	5.90	4.90	93.51	12.58	18.11	17.48
Comercializadora Internacional PC Jeweller International SAS**	- *	(0.15)	(0.33)	(0.27)	-	-	(0.28)	(0.27)
<b>Grand total</b>	<b>100.00</b>	<b>4,003.02</b>	<b>100.00</b>	<b>83.04</b>	<b>100.00</b>	<b>13.45</b>	<b>100.00</b>	<b>96.49</b>

\*rounded off to nil

\*\* wholly owned subsidiary of PC Jeweller Global DMCC.

**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 **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

Sd/-  
**Rajni Mundra**  
Partner  
Membership No. 058644

**Place:** New Delhi  
**Date:** 29 June 2020

Sd/-  
**Ramesh Kumar Sharma**  
Executive Director & Chief Operating Officer  
DIN-01980542

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

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

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

**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, 2020**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in crores except earnings per share)

I. SI No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	4,938.59/ 5016.04	4,938.59/5016.04
2.	Total Expenditure	4,892.50	4,892.50
3.	Net Profit/(Loss)	78.50	78.50
4.	Earnings Per Share	1.99	1.99
5.	Total Assets	7,881.57	7,881.57
6.	Total Liabilities	3,879.54	3,879.54
7.	Net Worth	4,002.03	4,002.03
8.	Any other financial item(s) (as felt appropriate by the management)	No	No

**II Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification:**

As explained in note 5 to the accompanying Statement, the Company during the previous 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 ₹ 89.69 crore. For the remaining discounts of ₹ 423.96 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. Our opinion for the year ended 31 March 2019 and conclusion for the quarter ended 31 December 2019 were also qualified in respect of this matter.

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:** Has been appearing since year ended 31 March 2019

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:** Not Applicable

(ii) **If management is unable to estimate the impact, reasons for the same:** 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.14/2014-15 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) **Auditors' Comments on (i) or (ii) above:** 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.

**III Signatories:**

- **CEO/Managing Director** Sd/-
- **CFO** Sd/-
- **Audit Committee Chairman** Sd/-
- **Statutory Auditor** Sd/-

**Place:** New Delhi

**Date:** 29<sup>th</sup> June 2020


**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, 2020**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in crores except earnings per share)

SI No.	Particulars	Consolidated Audited Figures (as reported before adjusting for qualifications)	Consolidated Audited Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	5,206.77/ 5287.19	5,206.77/5287.19
2.	Total Expenditure	5,161.87	5,161.87
3.	Net Profit/(Loss)	83.04	83.04
4.	Earnings Per Share	2.10	2.10
5.	Total Assets	7,897.27	7,897.27
6.	Total Liabilities	3,894.25	3,894.25
7.	Net Worth	4,003.02	4,003.02
8.	Any other financial item(s) (as felt appropriate by the management)	No	No

**II Audit Qualification (each audit qualification separately):**
**a. Details of Audit Qualification:**

As explained in note 6(a) to the accompanying Statement, the Holding Company during the previous 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 ₹ 89.69 crore. For the remaining discounts of ₹ 423.96 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. Our opinion for the year ended 31 March 2019 and conclusion for the quarter ended 31 December 2019 were also qualified in respect of this matter.

The following qualified opinion has been included in the auditor's report on the financial statements of PC Universal Limited, a subsidiary of the Holding Company, audited by an independent firm of Chartered Accountants, vide its auditor's report dated 28 June 2020, for a similar matter, which is reproduced by us as under:

As explained in note 6(b) to the accompanying Statement, the Company has provided discounts of ₹ 4.75 crore to export customers adjusted against revenues for the year ended 31 March 2020. The Company is in 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 has filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. 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 financial statements.

**b. Type of Audit Qualification : Qualified Opinion**

**c. Frequency of qualification:** In case of Holding Company, this has been appearing since year ended 31 March 2019. However in case of PC Universal Limited, a subsidiary of the Holding Company, it is given for the first time for financial year ended 31 March 2020.

**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not Applicable

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:** Not Applicable

(ii) **If management is unable to estimate the impact, reasons for the same:**

6(a) 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.14/2014-15 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.

6(b) The management had extended the discounts as on 31 March 2020 in view of the genuine business problems and operational issues being faced by its overseas buyers. The discount extended amounted to 10% of the export value of outstanding receivables as on 31 March 2020. The discount extended is in accordance with the Master Circular on Exports of Goods and Services - Master Circular No.14/2014-15 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) **Auditors' Comments on (i) or (ii) above:** 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.

**III Signatories:**

• CEO/Managing Director	Sd/-
• CFO	Sd/-
• Audit Committee Chairman	Sd/-
• Statutory Auditor	Sd/-

Place: New Delhi

 Date: 29<sup>th</sup> June 2020



## 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

(Rs. in Lakhs)

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	Comercializadora Internacional PC Jeweller International S.A.S.*
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020
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	Reporting Currency INR Exchange Rate 1 AED = 20.536 INR	Reporting Currency INR Exchange Rate 1 COP = 0.0187 INR
3	Share capital	5.00	1.00	1.00	5.00	13,385.51	160.89
4	Reserves & surplus	(1,538.22)	(671.25)	(2,508.52)	(0.33)	3,342.92	(175.95)
5	Total assets	11,680.47	385.23	5,480.60	4.81	16,741.98	2.50
6	Total Liabilities	13,213.69	1,055.48	7,988.12	0.14	13.55	17.56
7	Investments (Gross)	0.00	0.00	0.00	0.00	160.89	0.00
8	Turnover	4,472.77	1,462.21	3,778.40	0.00	26,607.24	0.00
9	Profit / (loss) before taxation	(89.33)	(84.88)	(825.71)	(0.33)	490.14	(27.05)
10	Provision for taxation	(0.04)	(22.17)	(253.65)	0.00	0.00	0.21
11	Profit / (loss) after taxation	(89.29)	(62.71)	(572.06)	(0.33)	490.14	(27.27)
12	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00
13	% of shareholding	100.00	100.00	100.00	100.00	100.00	100.00

\* Wholly owned subsidiary of PC Jeweller Global DMCC

1. Names of subsidiaries which are yet to commence operations:
  - i) PCJ Gems & Jewellery Limited
  - ii) Comercializadora Internacional PC Jeweller International S.A.S.
2. Names of subsidiaries which have been liquidated or sold during the year: None

### PART "B": ASSOCIATES & JOINT VENTURES

1. Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable
2. Names of associates or joint ventures which are yet to commence operations: Not Applicable
3. 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/-  
Vijay Panwar  
**Company Secretary**  
Membership No.A19063

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

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

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



## PC Jeweller Limited

CIN: L36911DL2005PLC134929

Regd. Office: C - 54, Preet Vihar, Vikas Marg, Delhi – 110 092

Phone: 011 - 49714971, Fax: 011 – 49714972

E-mail: investors@pcjeweller.com, Website: www.pcjeweller.com

## NOTICE

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of Members of PC Jeweller Limited will be held on Friday, August 7, 2020 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:
  - a) the audited standalone financial statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Statutory Auditors thereon; and
  - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 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.
3. To appoint Statutory Auditors and fix their remuneration:

M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) (“WCC”) were initially appointed as joint Statutory Auditors at an Extra-ordinary General Meeting of the Company held on March 28, 2011. At the 10<sup>th</sup> Annual General Meeting (“AGM”) of the Company held on September 19, 2015 Members approved the appointment of WCC as Statutory Auditors for second term of 5 consecutive years from the conclusion of the said AGM till the conclusion of the 15<sup>th</sup> AGM. Hence, on expiry of their second term at the conclusion of this AGM, WCC would mandatorily retire as Statutory Auditors of the Company. WCC were paid Rs.1.30 crore (exclusive of GST) towards audit fee for the financial year 2019-20, other services including limited reviews and reimbursement of expenses incurred.

The Board of Directors on the recommendation of Audit Committee recommended the appointment of M/s Arun K. Agarwal & Associates, Chartered Accountants (Firm Registration No.003917N) (“AKA”), as Statutory Auditors of the Company for 5 consecutive years from the conclusion of this AGM till the conclusion of the 20<sup>th</sup> AGM, for the approval of Members. They will be paid such remuneration as may be mutually agreed between them and the Board of Directors of the Company plus applicable taxes and reimbursement of out-of-pocket expenses incurred.

Audit Committee considered various parameters like market standing of the firm, clientele served, competency and understanding of the Company as well as its business, and found AKA to be best suited to handle the audit of the financial statements of the Company. AKA were established in 1983 and has expertise in handling assignments of medium to very large organisations including PSUs, Banks and listed entities like ONGC Limited, Container Corporation of India Limited, Engineers India Limited, Union Bank of India, FIITJEE Limited etc. The firm is empanelled with C&AG, RBI, SFIO and IBA etc. Their peer review certificate is valid till April 19, 2021.

AKA have given their consent to act as the Auditors of the Company and have confirmed that their appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013 and the provisions of the Companies (Audit and Auditors) Rules, 2014.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), M/s Arun K. Agarwal & Associates, Chartered Accountants (Firm Registration No.003917N) be and are hereby appointed as Statutory Auditors of the Company for 5 (Five) consecutive years in place of the retiring Auditors M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) to hold office from the conclusion of this Annual General Meeting till the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors plus applicable taxes and reimbursement of out-of-pocket expenses incurred.”

By order of the Board of Directors  
For **PC Jeweller Limited**

Place: New Delhi  
Date: June 29, 2020

Sd/-  
(VIJAY PANWAR)  
**Company Secretary**

**NOTES:**

1. In view of the continuing COVID-19 pandemic, Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circulars Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the 15<sup>th</sup> AGM of the Company is being held through VC / OAVM. The deemed venue for the 15<sup>th</sup> 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 this AGM. Hence, Proxy Form is not annexed to this Notice. Route Map and Attendance Slip are also not annexed to this Notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Pursuant to Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Shri Ramesh Kumar Sharma, seeking re-appointment as Director at the 15<sup>th</sup> AGM, forms part of this Notice.
5. In compliance with MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 15<sup>th</sup> AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail Id’s are registered with the Depository / the Company’s Registrar & Transfer Agent (“RTA”) - KFin Technologies Private Limited (“KFin”). 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 and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also on the website of KFin at <https://evoting.karvy.com>.
6. Only those Members, whose names appear in Register of Members / List of beneficial owners as on **Friday, July 31, 2020 (“Cut-off Date”)** shall be entitled to vote (through remote e-voting and during 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.
7. 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. 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.
8. SEBI has mandated the submission of Permanent Account Number (“PAN”) by every participant in the securities market. Hence, Members holding shares in demat form are requested to submit their PAN to their Depository Participant(s) and Members holding shares in physical form are required to submit their PAN to KFin.
9. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (“IEPF Rules”), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 30, 2019 (i.e. date of last AGM) on the website of the Company and also with MCA. Dividend amounts remaining unclaimed / unpaid for a period of 7 years from the date of transfer to unpaid dividend account will be transferred to Investor Education and Protection Fund (“IEPF”). Hence, unclaimed dividend for financial year 2012-13 and unclaimed interim dividend for financial year 2013-14 will be transferred to IEPF during current financial year. The shares on which dividend remains unclaimed for 7 consecutive years shall be transferred to the demat account of IEPF Authority as per Section 124 of the Act read with applicable IEPF Rules. In view of this, Members are requested to claim their dividends within the stipulated time and contact the Company or KFin for claiming the same.
10. The unclaimed share application money due for refund in relation to Initial Public Offer has been transferred to IEPF during financial year 2019-20. Investors may note that unclaimed share application money transferred to IEPF Authority can be claimed back. Concerned investors are advised to visit the weblink <http://iepf.gov.in/IEPF/refund.html> or contact KFin for lodging claim for unclaimed share



application money from IEPF Authority.

11. In compliance with 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 providing to its Members the facility to exercise their right to vote by electronic means through e-voting facility. The Company has engaged the services of KFin as the Agency to provide facility for remote e-voting, participation in the AGM through VC / OAVM and e-voting during the AGM.

12. The remote e-voting facility shall be available during the following period:

<b>Commencement of remote e-voting:</b>	<b>From 9:00 A.M. (IST) on Tuesday, August 4, 2020</b>
<b>End of remote e-voting:</b>	<b>Up to 5:00 P.M. (IST) on Thursday, August 6, 2020</b>

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.

13. 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 voting during the AGM in a fair and transparent manner.

14. 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. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. August 7, 2020.

15. The result declared along with the Scrutinizer's Report will be displayed on the notice board of the Company at its Registered Office and placed on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) and also on KFin's website <https://evoting.karvy.com>. The result shall also be submitted with BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed.

16. Corporates / Institutional Members (i.e. other than Individuals, HUF's, NRI's etc.) are required to send scanned certified true

copy (PDF / JPG Format) of the relevant Board or Governing Body Resolution / Power of Attorney / Authority Letter to the Scrutinizer at the e-mail ID [rss.scrutinizer@gmail.com](mailto:rss.scrutinizer@gmail.com) with copy to [evoting@karvy.com](mailto:evoting@karvy.com).

17. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details / mandates, change of address, e-mail ID's etc., to their respective Depository Participant(s). Members holding shares in physical form are requested to intimate such changes to the Company's RTA i.e. KFin.

18. Members desirous of making a nomination in respect of their shareholding in the Company are requested to submit duly filled Nomination Form (Form No. SH 13) with their respective Depository Participant(s) (in case the shares are held in demat form) and with KFin (in case the shares are held in physical form). Blank forms will be provided by the Company on request.

19. 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 ID's, are requested to register the same with their respective Depository Participant(s) (in case the shares are held in demat form) and with KFin (in case the shares are held in physical form). The Company has also made available an e-mail registration facility to its Members through KFin, for the limited purpose of receiving notice of the 15<sup>th</sup> AGM and Annual Report 2019-20 in electronic mode. Members are requested to access the link [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) to register their e-mail ID's.

20. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker from 9:00 A.M. (IST) to 5:00 P.M. (IST) on August 3, 2020 by clicking 'Speaker Registration' tab available on the e-voting website of KFin at <https://evoting.karvy.com>. Those Members who have registered themselves as a speaker will only 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.

21. 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.

22. The relevant document(s) referred to in the accompanying

Notice will be available on the website of the Company for inspection by Members up to the date of the AGM.

23. During the AGM, the Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act and the certificate from Auditors of the Company certifying that PC Jeweller Limited Employee Stock Option Plan 2011 is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 will be available for inspection electronically by Members.

24. Members are requested to carefully read the '**Instructions for attending the AGM, remote e-voting and e-voting during AGM**' mentioned hereunder:

**A) Instructions for attending the 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 and selecting the 'Event' for the Company's AGM.
- ii) 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 mentioned in the Notice.
- iii) For better experience, Members are requested to join the meeting through laptop using Google Chrome (preferred browser) or other browsers such as Firefox, Internet Explorer or Safari after removing firewalls.
- iv) Members are advised to use stable Wi-Fi or LAN connection to ensure smooth participation at the AGM. Participants may experience audio / video loss due to fluctuation in their respective networks.
- v) Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be closed on expiry of 15 minutes from the scheduled time of the AGM.
- vi) Facility of joining the AGM through VC / OAVM shall be available for 1,000 Members on first come first served 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, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

- vii) Those Members who register themselves as speaker will only be allowed to express 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.
- viii) Members, who have casted their votes by remote e-voting may also attend the AGM through VC / OAVM but shall not be entitled to cast their votes again.
- ix) Members who need technical assistance before or during the AGM, can contact: Shri I. L. Murthy, Sr. Manager at KFin at e-mail id: [lakshmana.murthy@kfintech.com](mailto:lakshmana.murthy@kfintech.com), contact no.: 9177401088 or can also call KFin's toll free no.: 1800-345-4001.

**B) Instructions for remote e-voting:**

- i) Launch internet browser by typing <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e. User ID & Password) mentioned in your e-mail. 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: Event Number followed by Folio No. registered with the Company.
- iii) Under Captcha, please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.
- iv) After entering these details appropriately, click "LOGIN".
- v) 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.

- vi) You need to login again with the new credentials.
- vii) If you are already registered with KFin for e-voting, you can use your existing User ID and Password for casting your vote.
- viii) On successful login, system will prompt you to select the 'EVENT' i.e. '**PC Jeweller Limited**'.
- ix) 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. July 31, 2020 (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. 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.
- x) 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.
- xi) Once you 'CONFIRM' your vote on the resolutions, you will not be allowed to modify your vote.
- xii) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- xiii) In case of any queries on e-voting, you may refer Frequently Asked Questions (FAQs) on e-voting

and User Manual for Shareholders available at the download section of <https://evoting.karvy.com> or contact Shri I. L. Murthy, Sr. Manager at KFin at e-mail id: lakshmana.murthy@kfintech.com, contact no.: 9177401088 or can also call KFin's toll free no.: 1800-345-4001.

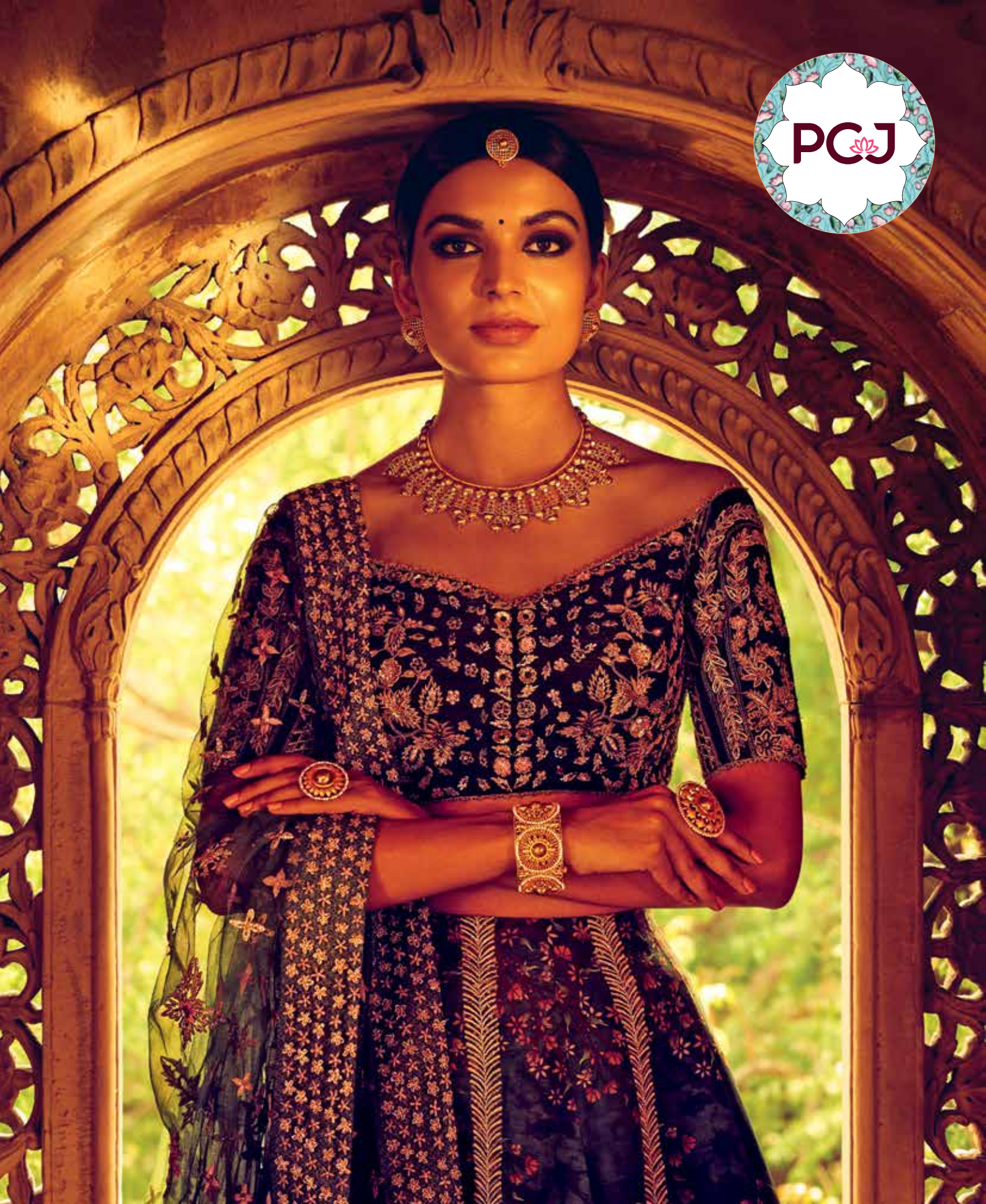
#### C) Instructions for e-voting during the AGM:

- i) The e-voting window shall be activated during the AGM. Members shall vote as per the credentials displayed in the e-voting window.
  - ii) Members to click on the 'Instapoll' icon and follow the instructions to vote on the resolutions.
  - iii) Only those Members, who are present in 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 during the AGM.
25. Any person, who acquires shares and become Member of the Company after the despatch of AGM Notice and holds shares as on the Cut-off Date i.e. July 31, 2020, 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  
  
ExampleforNSDL:MYEPWD<SPACE>IN12345612345678  
  
ExampleforCDSL: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.karvy.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 number 1800-345-4001.
  - iv) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).



**DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards]

<b>Name</b>	<b>Shri Ramesh Kumar Sharma</b>
<b>Date of Birth</b>	September 27, 1957
<b>Qualifications</b>	Certified Associate of Indian Institute of Bankers, B. Com. & M. Com. from University of Rajasthan, Jaipur
<b>Expertise in specific functional areas</b>	Administration, governance and industry experience
<b>Date of first appointment on the Board</b>	February 7, 2014
<b>No. of meetings of the Board attended during financial year 2019-20</b>	4 of 5
<b>Remuneration drawn during the year 2019-20</b>	Rs.81.84 lakh
<b>Relationships between directors inter-se &amp; Key Managerial Personnel</b>	None
<b>Directorships held in other public companies (excluding foreign companies and Section 8 companies)</b>	None
<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 - Member
<b>Shareholding in the Company</b>	1,32,500 Equity Shares



For further details on any of our showrooms or to buy online log on to [www.pcjeweller.com](http://www.pcjeweller.com) OR Write to us at [info@pcjeweller.com](mailto:info@pcjeweller.com)

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**PC Jeweller**

**PC Jeweller Limited**

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