



Date: 08/09/2021

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

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

Sub.: Annual Report 2020-21

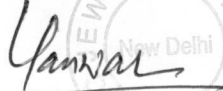
Dear Sir / Madam,

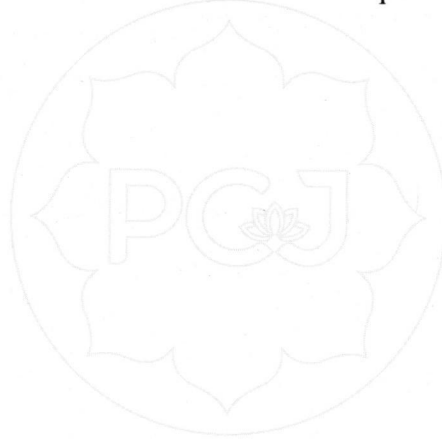
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the Annual Report 2020-21 of the Company.

Kindly take the same 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



PC JEWELLER LIMITED

ANNUAL REPORT
2020-21



CONTENTS

CORPORATE OVERVIEW

ADAPT. EVOLVE. EXCEL.	01
KEY HIGHLIGHTS - FY21	02
MESSAGE FROM MANAGING DIRECTOR	04
CORPORATE INFORMATION	05

STATUTORY REPORTS

Directors' Report	08
Business Responsibility Report	26
Report on Corporate Governance	31
Management Discussion & Analysis	46

FINANCIAL STATEMENTS

Standalone Financial Statements	
Auditor's Report	52
Balance Sheet	62
Statement of Profit and Loss	64
Statement of Changes in Equity	65
Cash Flow Statement	66
Notes forming part of the Financial Statements	68

Consolidated Financial Statements

Auditor's Report	116
Balance Sheet	123
Statement of Profit and Loss	125
Statement of Changes in Equity	126
Cash Flow Statement	127
Notes forming part of the Financial Statements	129

Statement containing salient features of the financial statement of Subsidiaries	176
Notice of 16th Annual General Meeting	177

Forward-looking statements

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



Adapt. Evolve. Excel.

The strength of an organisation becomes evident at the time of crisis and PC Jeweller stood true to this test. In the face of a global pandemic, PC Jeweller not only sustained but also bounced back in 2nd half of FY 2020-21. It achieved this by cleverly **adapting** to the dynamic situation by launching innovative products and by reducing its expenses. By **evolving** strategically to get newer ways of increasing profitability despite adversely impacted revenues. All this resulted in PC Jeweller sustaining & **excelling** in this phase of extreme challenges for the entire industry, economies and humankind as such.

The year FY 2020-21 was marked with adverse impact of global pandemic 'Covid-19' and its resultant lockdowns, halted economic activities and the world turning to survival. The pandemic effect had begun from last quarter

of FY 2019-20, however real impact actually got effected during FY 2020-21 wherein first half of the year remained largely unproductive, especially for our industry. This is also evident from the drop in our operating revenues of first quarter (Q1) from ₹1,349 crore in FY 2020 to ₹47 crore in FY 2021, wherein exports revenues stood at nil. The second quarter (Q2), too, was not encouraging due to restrictions and the impact was felt upto July and August 2020. September had 'Sharadhs' and 'Adhikmas' periods which are considered inauspicious. For that matter the last month of FY 2020-21 saw onset of the even more fatal second wave of the pandemic.

At PC Jeweller, we adapted, evolved and came out excelling by strengthening our revenues, rationalizing our expenses and improving our profitability. After having initial challenges in Q1 and Q2, our operational revenues started catching up fast and surpassed FY 2020 levels in Q3 and almost at level in Q4. Our EBITDA margins were far better placed in FY 2021 compared to FY 2020. We rationalized our operations cost across the levels and launched several new jewellery designs & collections.



Key Highlights - FY21

New Launches during FY21

In line with our consistent efforts to provide best and latest products to our customers, we launched a number of new collections, designs and innovative products during FY21. The key new launches included the following:

- Dashavtar
- Enamel
- Blooming Dale
- Pik-See
- Diamond Jewellery in Silver
- Hand Mangal Sutra
- Watch Accessories
- Rakhi Collection





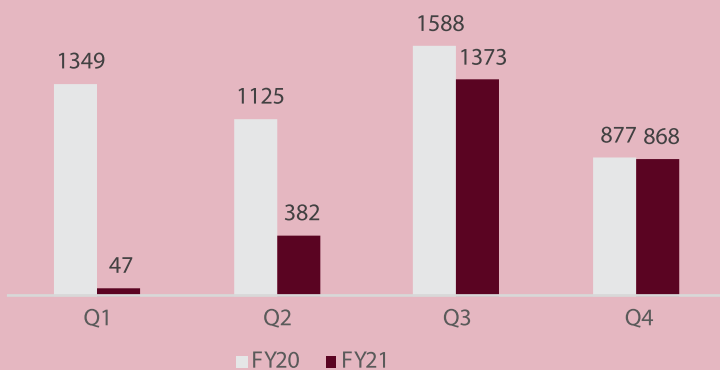
Increased Equity-Better Network:

Promoters' unsecured loan amounting to ₹210.99 crore converted into equity – Improved liquidity and net worth

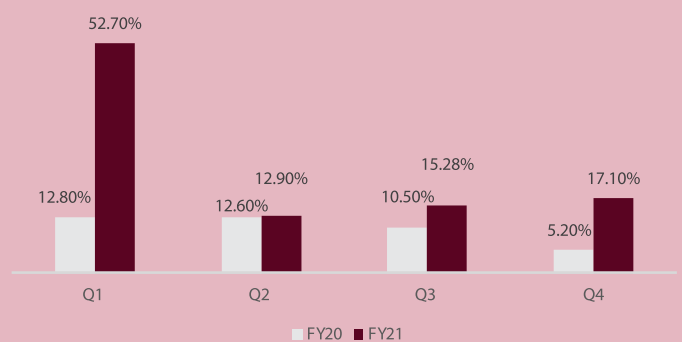
Rationalized Operational Expenditure:

The Company reduced its operational expenditure across the levels including rental expenditure.

QUARTERLY REVENUES FY20 VS. FY21 (₹ IN CRORE)



EBITDA MARGINS FY20 VS FY21 (%)



MESSAGE FROM MANAGING DIRECTOR

Dear Shareholders,

I am happy to present you the Annual Report of your Company for the financial year 2020-21.

The FY 2020-21 has been a difficult one for all of us. It started with the shadow of Covid-19 pandemic and a complete lock down which extended in one form or another till end of June 2020, disrupting lives and businesses. Though the business started picking up from August onwards but it was much lower than the pre-covid levels and this situation continued till the end of September. The Company used this period to further work on improving its systems & processes.

The Company however was confident of the resilience of the jewellery business and this confidence was vindicated in Q3 and Q4 of FY 2020-21 when the sales almost touched the pre-covid levels.

The Company was hopeful of getting very good business in Q1 of the FY 2021-22 but these hopes were stymied by the second wave of Covid-19, which started in the last week of March 2021. The effect of second wave of Covid-19 was much severe than the first and as a result the Company again lost the major purchase days of Navratras and Akshay Tritiya as well as the summer wedding season.

The effect of this back to back disruptions has been quite devastating for the normal business operations of the Company. Though the showrooms have started opening up from the month of June 2021 their normal functioning was disrupted due to local restrictions, which have been gradually removed.

However, the Company continues to believe in the long term sustainability of jewellery business in India and is confident that the demand will come back strongly in the festive season. With both the central and state governments focusing on maintaining the economic momentum, current pace of vaccinations as well improvements in the health care facilities, it is expected that the economic activity and the pace of consumption will again start picking up soon and this will get reflected in the increase in the jewellery demand as well.

PC Jeweller is well placed to encash upon this resurgence of demand with its vast network of showrooms as well as a good brand image and consumers continue to have trust in the quality and purity of the jewellery purchased from its showrooms.

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

Yours sincerely,

Sd/-
(BALRAM GARG)
Managing Director





Corporate Information

BOARD OF DIRECTORS

Shri Balram Garg	Managing Director
Shri Ramesh Kumar Sharma	Executive Director & 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

M/s Arun K. Agarwal & Associates, Chartered Accountants Firm Registration No.: 003917N

REGISTERED OFFICE

PC Jeweller Limited
C - 54, Preet Vihar, Vikas Marg, Delhi - 110092
Tel: 011 - 49714971, Fax: 011 - 49714972

REGISTRAR AND TRANSFER AGENT (RTA)

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

WEBSITE

www.pcjeweller.com

CORPORATE IDENTITY NUMBER

L36911DL2005PLC134929

ISIN (EQUITY SHARE)

INE785M01013

BSE SCRIP CODE

534809

NSE SYMBOL

PCJEWELLER





STATUTORY REPORTS

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 16th Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

The highlights of standalone financial statements of the Company for the financial year ended March 31, 2021 and previous year are as under:

(Rs. in crore, except earnings per share)

Particulars	2020-21	2019-20
Revenue from operations	2,669.34	4,938.59
Other income	30.67	77.45
Total income	2,700.01	5,016.04
Profit before finance costs, depreciation and tax	431.35	527.08
Less: Finance cost	393.68	368.88
Less: Depreciation & amortisation expenses	33.26	34.66
Profit before tax	4.41	123.54
Less: Tax Expense	(56.43)	45.04
Net profit after tax	60.84	78.50
Other comprehensive income for the year, net of tax	0.58	0.85
Total comprehensive income for the year	61.42	79.35
Earnings per equity share (in Rs.):		
Basic	1.50	1.99
Diluted	1.50	1.98

BUSINESS OVERVIEW AND THE COMPANY'S PERFORMANCE

Your Company is one of the leading jewellery companies in the organised jewellery retail sector in India. It is engaged in the business of manufacturing, sale and trading of gold and diamond studded jewellery as well as silver items and offers wide range of jewellery including 100% hallmarked gold jewellery with a focus on certified diamond jewellery and jewellery for weddings. The Company operates in different geographical areas i.e. domestic and export sales.

As on March 31, 2021 your Company has total of 82 showrooms in India including 11 franchisee showrooms. The Company is also having 4 manufacturing units in India. To cater to the needs,

choices and demands of its customers, your Company keeps on launching new designs and collections of jewellery from time to time. The Company owns jewellery sub-brands Azva, Swarna Dharohar, LoveGold, Inayat and Mirosa and has launched many new jewellery designs under its sub-brands and collections such as Lal Quila, Dashavtar, Enamel, Hand Mangalsutra.

As a result of lockdowns and other restrictions caused due to Covid-19, the revenue from operations of your Company fell by 46% to Rs.2,669.34 crore as compared to Rs.4,938.59 crore during the previous year. The share of domestic and export sales in the Company's revenue from operations is Rs.2,556.16 crore (96%) and Rs.113.18 crore (4%) respectively as compared to Rs.4,280.62 crore (87%) and Rs.657.97 crore (13%) respectively during the previous year. Despite substantial fall in revenue, as a result of its cost austerity measures, your Company remains profitable during the year under review. However, profit before tax decreased to Rs.4.41 crore from Rs.123.54 crore. The net profit after tax also decreased to Rs.60.84 crore as compared to Rs.78.50 crore during the previous year.

IMPACT OF COVID-19

During the year under review, Covid-19 pandemic developed rapidly into a global crisis, which resulted into forcing governments all over the world to enforce lockdowns and other restrictions. Due to various restrictions and directions of Central / State Government(s) and local regulatory authorities from time to time, the operations of the Company were suspended from March 22, 2020 till May 3, 2020 and thereafter the Company gradually started its business operations with minimum workforce combined with work from home policy.

Covid-19 has affected the businesses and economy all over the world and your Company was no exception to the same. The revenue from operations of the Company for the first two quarters were badly affected by the lockdown caused due to severe condition of pandemic. Third quarter witnessed an all-round recovery with improvement in walk-in and pick up of sales. During this quarter the domestic sales of the Company have crossed the pre-covid levels of the corresponding quarter of the previous year. The last quarter was also good although it once again started to witness the impact of surge of Covid-19. Overall the revenue from operations during the year fell by 46% as compared to previous year.

CHANGE IN SHARE CAPITAL

The authorised share capital of the Company has increased from



Rs.700 crore comprising of 44 crore equity shares of Rs.10/- each and 26 crore preference shares of Rs.10/- each to Rs.760 crore comprising of 50 crore equity shares of Rs.10/- each and 26 crore preference shares of Rs.10/- each w.e.f. January 26, 2021.

During the year under review, your Company has made allotment of total of 7,04,01,014 equity shares having face value of Rs.10/- each. The details of the same are as under:

i) allotment of 71,014 equity shares @Rs.10/- per share on September 14, 2020 to eligible employees of the Company and its subsidiary, upon exercise of stock options under PC Jeweller Limited Employee Stock Option Plan 2011; and

ii) allotment of 7,03,30,000 equity shares @Rs.30/- per share on February 4, 2021 to Shri Balram Garg, Promoter of the Company, on preferential basis.

Consequently, the paid-up share capital of your Company increased from Rs.395,00,28,820/- comprising of 39,50,02,882 equity shares of Rs.10/- each to Rs.465,40,38,960/- comprising of 46,54,03,896 equity shares of Rs.10/- each.

DIVIDEND

Your Directors have not recommended any dividend for the year.

TRANSFER TO GENERAL RESERVE

Your Directors have not proposed transfer of any amount to General Reserve from the profits of the year under review. However, the Company has transferred an amount of Rs.13.79 crore from Share Options Outstanding Account to General Reserve on account of 2,77,817 share options lapsed / forfeited in accordance with PC Jeweller Limited Employee Stock Option Plan 2011.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company comprises of 2 Executive and 5 Non-Executive Directors including 1 Woman Director. During the year under review no changes have taken place amongst the Directors of the Company.

Shri Balram Garg, whose previous term of appointment as Managing Director expired on June 30, 2021 has been re-appointed as Managing Director by the Board on the recommendation of Nomination and Remuneration Committee for a period of 5 years w.e.f. July 1, 2021 subject to the approval of Members of the Company. Accordingly, his re-appointment as Managing Director of the Company has been proposed for approval of Members at the 16th Annual General Meeting ("AGM").

Shri Ramesh Kumar Sharma, whose present term of appointment as Whole-time Director is expiring on February 6, 2022 has been re-appointed as Whole-time Director by the Board on the recommendation of Nomination and Remuneration Committee for a period of 3 years w.e.f. February 7, 2022 subject to the approval of Members of the Company. Accordingly, his re-appointment as Whole-time Director of the Company has been proposed for approval of Members at the 16th AGM.

Shri Ramesh Kumar Sharma, is liable to retire by rotation at the 16th AGM of the Company and being eligible, 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, the details of Shri Balram Garg and Shri Ramesh Kumar Sharma form part of the Notice convening the 16th AGM.

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

SUBSIDIARY COMPANIES

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.). During the year under review its revenue from operations was Rs.48.87 crore and it incurred net loss of Rs.6.24 crore.
- ii) **Transforming Retail Private Limited:** It is engaged in the business of online retail trading of gold and diamond jewellery. During the year under review its revenue from operations was Rs.17.04 crore and it incurred net loss of Rs.0.38 crore.
- 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). During the year under review its revenue from operations was Rs.37.10 crore and it registered net profit of Rs.4.31 crore.
- iv) **PCJ Gems & Jewellery Limited:** It is authorized to carry on the business of manufacturing, trading, import, export of all kinds of jewellery. However, it has not commenced business operations during the year under review.

PC JEWELLER LIMITED

v) **PC Jeweller Global DMCC:** It was incorporated in Dubai (UAE) and is engaged in the business of jewellery trading. During the year under review its revenue from operations was Rs.94.28 crore and it registered net profit of Rs.3.36 crore.

vi) **Comercializadora Internacional PC Jeweller International S.A.S.:** It is the wholly owned subsidiary of PC Jeweller Global DMCC and based in Columbia. It ceased to exist w.e.f. April 5, 2021 as its registration has been cancelled upon request of the shareholders. The Chamber of Commerce of Medellin for Antioquia issued a special certificate to this effect on April 9, 2021. It had not commenced business operations till the date of cessation.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the "Act") a statement containing salient features of the financial statements of the subsidiaries (Form AOC – 1) forms part of the Annual Report. Please refer Note 55 of the consolidated financial statements for the financial year ended March 31, 2021 for the details of contribution of the subsidiaries to the overall performance of your Company. The financial statements of all the subsidiaries are available on the Company's website www.pcjeweller.com.

During the year under review, no company has become or ceased to be subsidiary of your Company.

ASSOCIATES AND JOINT VENTURE COMPANIES

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

CONSOLIDATED FINANCIAL STATEMENTS

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

SECRETARIAL STANDARDS

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

COST RECORDS

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

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have confirmed their independence. They have submitted declaration of independence with the Company in accordance with the provisions of the Act and LODR Regulations.

BOARD MEETINGS

During the year 5 meetings of the Board were held on June 29, 2020; September 14, 2020; November 9, 2020; December 23, 2020 and February 12, 2021 respectively.

AUDIT COMMITTEE

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

PUBLIC DEPOSITS

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

- a) Accepted during the year : Nil
- b) Remained unpaid or unclaimed as at the end of the year : Rs.11.93 crore
- c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
 - i) at the beginning of the year : Nil
 - ii) maximum during the year : Nil
 - iii) at the end of the year : Nil

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

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

As per Section 125 of the Act, any dividend amount remaining



unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account, is required to be transferred to IEPF. Further, as per Section 124 of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares on which dividend remained unpaid / unclaimed for 7 consecutive years are also required to be transferred to the demat account of IEPF Authority.

Accordingly, the Company has transferred unclaimed dividend for financial year 2012-13 and unclaimed interim dividend for financial year 2013-14 aggregating to Rs.2,47,573/- and 1,460 equity shares to IEPF during the year under review.

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

The details of year wise amount of unclaimed dividend as on March 31, 2021 and the due dates for their transfer to IEPF are as under:

(Rs. in lakh)

Financial year	Date of declaration	Unclaimed dividend Amount	Due date of transfer to IEPF
2013-14 (Final)	September 13, 2014	0.45	October 13, 2021
2014-15	September 19, 2015	2.55	October 24, 2022
2015-16	September 19, 2016	1.12	October 26, 2023
2016-17	September 8, 2017	0.31	October 13, 2024
2017-18	September 29, 2018	5.20	November 2, 2025

PARTICULARS OF LOANS, GUARANTEES AND INVESTEMENTS

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

PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions entered into 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 during the year under review have been disclosed in Note 37 of the financial statements.

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

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

(Rs. in crore)

Particulars	Relationship	Year ended March 31, 2021
Loan converted into equity:		
Shri Balram Garg	Promoter	210.99
Adjustment towards loan:		
Shri Balram Garg		0.06
Rent paid:		
Shri Balram Garg		0.02
Mrs. Krishna Devi		0.28

RISK MANAGEMENT

Pursuant to Regulation 21 of LODR Regulations, your Company has constituted 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 statutory and internal auditors. The Company has effective internal control systems in place, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition. Internal auditors also periodically carried out review of the internal control systems and procedures. Their reports are placed before Audit Committee for its review periodically. There were no significant comments / findings in their reports during the year under review.

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

UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT

During the year under review, the Company made allotment of 7,03,30,000 equity shares having face value of Rs.10/- each at an issue price of Rs.30/- per share to Shri Balram Garg, Promoter of the Company, on preferential basis, in accordance with the provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The preferential issue was made by the Company for conversion of loan aggregating to Rs.210.99 crore extended to it by Shri Balram Garg and no fresh funds have been raised pursuant to the preferential issue. There was no deviation or variation in use of proceeds of preferential issue.

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

There have been no material changes and commitments affecting financial position of the Company between end of the financial year and the date of the report except for the impact arising due to the continuance / resurgence of Covid-19.

Please refer Note 50 of the standalone financial statements for financial year ended March 31, 2021 for further details in respect of impact of Covid-19 on the financial statements of the Company.

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

A) CONSERVATION OF ENERGY

Your Company in its endeavour towards conservation of energy ensures optimal use of energy and avoid wastages. The Company has been utilising 150 KW roof top solar power system, as an alternate source of energy, at one of its manufacturing units.

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company's foreign exchange earnings and outgo were Rs.113.18 crore and Rs.208.12 crore respectively, during the year under review.

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

Your Company has adopted a policy against sexual harassment

in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has constituted Internal Complaints Committee for redressal of complaints on sexual harassment. During the year under review, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2021.

WHISTLE BLOWER POLICY

Your Company has in place a Whistle Blower Policy, which provides a formal mechanism for all the employees and Directors of the Company to report about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct and leak of unpublished price sensitive information etc. and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. During the year under review, the Company had not received any complaint under the policy and no complaint was pending as on March 31, 2021. The policy is available on the Company's website www.pcjeweller.com in Investor section.

BOARD EVALUATION

Your Company has in place the Board approved criteria for evaluation of performance of the Board, its Committees and individual Directors. The annual performance evaluation of the Board, its Committees and Directors was carried out on the basis of evaluation forms, which include a rating mechanism. Independent Directors also reviewed the performance of the Board 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 members of respective Committee. Further, performance of individual Directors was evaluated by Nomination and Remuneration Committee as well as the Board on the basis of evaluation forms received from all the Directors except the Director being evaluated.

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 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 compiled and placed before the Board.

SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

EMPLOYEE STOCK OPTION PLAN

Your Company has an employee stock option plan namely PC Jeweller Limited Employee Stock Option Plan 2011 ("**ESOP 2011**") in place. ESOP 2011 is in compliance with the SEBI (Share Based

Employee Benefits) Regulations, 2014 ("**SBEB Regulations**"). During the year under review, no changes were made in ESOP 2011.

Pursuant to the provisions of SBEB Regulations, a statement with respect to ESOP 2011 has been uploaded on the Company's website www.pcjeweller.com in Investor section. The certificate of auditor with respect to the implementation of ESOP 2011 will be available for inspection by Members during the 16th AGM.

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

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

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

Both the policies are available on the Company's website www.pcjeweller.com in 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.

DIVIDEND DISTRIBUTION POLICY

Dividend Distribution Policy formulated by the Company in terms of Regulation 43A of LODR Regulations is available on the Company's website www.pcjeweller.com in Investor section and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/Dividend-Distribution-Policy.pdf>

ANNUAL RETURN

Annual Return as provided under Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the Company's website www.pcjeweller.com in Investor section and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/downloads/FY-2022/Annual-Return-2020-21.pdf>

AUDITORS AND THEIR REPORTS

STATUTORY AUDITORS

M/s Arun K. Agarwal & Associates, Chartered Accountants (Firm Registration No.003917N) were appointed as statutory auditors of the Company for 5 years from the conclusion of the 15th AGM of the Company held on August 7, 2020.

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

- i) Para 3 of Independent Auditors' report regarding discount to export customers during the financial year ended March 31, 2019:

The Company had filed requisite applications with AD Category - 1 Banks for seeking approval of the aforesaid discount as per Master Circular on Exports of Goods and Services (Master Circular No.14/2014-15) issued by Reserve Bank of India. Subsequently, the Company has obtained the approvals from the Authorized Dealer Banks for reduction in receivables corresponding to discounts amounting to Rs.315.21 crore and approval for the balance amount is under process. The discount extended was in accordance with the aforesaid Master Circular and the management does not expect any material penalty to be levied and therefore, no provision for the same has been recognized in the financials.

- ii) Para 20 of Independent Auditors' Report and Para (xi) of Annexure - A to Independent Auditors' Report regarding approval from bankers and shareholders in relation to managerial remuneration:

The banks have approved payment of remuneration to Shri Ramesh Kumar Sharma, Executive Director for part of the financial year ended March 31, 2021 and the remaining tenure of his existing term. However, the Company is in the process of approaching banks once again for their approval for payment of remuneration to Shri Ramesh Kumar Sharma,

Executive Director for remaining part of the financial year ended March 31, 2021. Further, in compliance with the Act read with Schedule V of the Act, the matter is proposed for ratification/approval of Members in the 16th AGM. If the Company does not get approval of the banks for payment of remuneration for remaining part of the financial year ended March 31, 2021, then Shri Ramesh Kumar Sharma will refund the remuneration for that period to the Company.

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

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

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, Proprietor M/s R S Sharma & Associates, Company Secretaries as secretarial auditor 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 qualification, observation or other remarks 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 approval from banks and shareholders in relation to managerial remuneration:

The banks have approved payment of remuneration to Shri Ramesh Kumar Sharma, Executive Director for part of the financial year ended March 31, 2021 and the remaining tenure of his existing term. However, the Company is in the process of approaching banks once again for their approval for payment of remuneration to Shri Ramesh Kumar Sharma, Executive Director for remaining part of the financial year ended March 31, 2021. Further, in compliance with the Act read with Schedule V of the Act, the matter is proposed for ratification/approval of Members in the 16th AGM. If the Company does not get approval of the banks for payment of remuneration for remaining part of the financial year ended March 31, 2021, then Shri Ramesh Kumar Sharma will refund the remuneration for that period to the Company.



- iii) Delay in compliance with the requirements of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019 and Regulation 24A(2) of LODR Regulations:

The delay was due to an oversight and the Company has already complied with both the requirements.

DETAILS IN RESPECT OF FRAUDS

During the year under review, Statutory and Secretarial Auditors have not reported any fraud under Section 143(12) of the Act.

REPORT ON CORPORATE GOVERNANCE

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

Place: New Delhi
Date: August 14, 2021

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. Annual Report on CSR activities pursuant to Section 135 of the Act and Rules made thereunder is annexed as "**Annexure - 4**" to this Report.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

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

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

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2021

[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 31st March, 2021 ("Audit Period") 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 during the Audit Period and made available to us, according to the provisions of:

- (I) The Companies Act, 2013 ('the Act') and the rules made there under;
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and 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 Audit Period];
 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 Audit Period];
 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 Audit Period];
 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 Audit Period];
 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. on account of defaults in payment of dues to the banks during the year, the payment of managerial remuneration to the Executive Director requires requisite approvals from the banks and shareholders to comply with Schedule V of the Act, which are yet to be obtained; and
3. the Company has complied with the requirements of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019 and Regulation 24A(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 after the prescribed timeline.

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, the Company:

1. allotted 71,014 equity shares to the eligible employees of the Company and its subsidiary under PC Jeweller Limited Employee Stock Option Plan 2011; and
2. allotted 7,03,30,000 equity shares to Shri Balram Garg, Promoter of the Company, on preferential basis, at an issue price of Rs.30/- per share pursuant to conversion of unsecured loan amounting to Rs.210.99 crore extended by him to the Company.

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

Sd/-
(RANDHIR SINGH SHARMA)

Proprietor

Place: New Delhi
Date: August 3, 2021

Mem. No.: FCS2062, C.P. No.: 3872
UDIN: F002062C000726566

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

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Sd/-
(RANDHIR SINGH SHARMA)
Proprietor

Mem. No.: FCS2062, C.P. No.: 3872
UDIN: F002062C000726566

Place: New Delhi
Date: August 3, 2021

**Annexure - 2****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 31st March, 2021 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") read with Schedule V of SEBI LODR Regulations.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) and para C and D of Schedule V of SEBI LODR Regulations during the year ended 31st March, 2021 except that the Company has complied with the requirement of Regulation 24A(2) of SEBI LODR Regulations after the prescribed timeline.

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: August 3, 2021

Sd/-
(RANDHIR SINGH SHARMA)
Proprietor

Mem. No.: FCS2062, C.P. No.: 3872
UDIN: F002062C000726601

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 2020-21:

Median remuneration of employees for the financial year 2020-21: Rs.2.14 lakh

Name of Director	Category / Designation	Ratio
Dr. Manohar Lal Singla	Non-Executive Independent Director	1.31
Shri Krishan Kumar Khurana		1.12
Shri Miyar Ramanath Nayak		0.93
Shri Suresh Kumar Jain		0.19
Mrs. Sannovanda Machaiah Swathi		0.19
Shri Balram Garg	Managing Director	0.00
Shri Ramesh Kumar Sharma	Executive Director & Chief Operating Officer	15.57

(ii) The percentage increase / (decrease) in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21:

(Rs. in lakh)

Name	Category / Designation	2019-20	2020-21	% increase / (decrease) in remuneration
Dr. Manohar Lal Singla	Non-Executive Independent Director	2.80	2.80	Nil
Shri Krishan Kumar Khurana		3.30	2.40	(27.27)
Shri Miyar Ramanath Nayak		2.50	2.00	(20.00)
Shri Suresh Kumar Jain		1.30	0.40	(69.23)
Mrs. Sannovanda Machaiah Swathi		1.60	0.40	(75.00)
Shri Balram Garg*	Managing Director	240.00	0.00	(100.00)
Shri Ramesh Kumar Sharma	Executive Director & Chief Operating Officer	81.84	33.33	(59.27)
Shri Sanjeev Bhatia	Chief Financial Officer	81.84	33.91	(58.57)
Shri Vijay Panwar	Company Secretary	47.17	34.57	(26.71)

* Voluntarily foregone remuneration for the year.

(iii) The percentage increase / (decrease) in the median remuneration of employees in the financial year 2020-21: (14.40%)
(iv) The number of permanent employees on the rolls of company as on March 31, 2021: 1,522



- (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 lakh)		
	2019-20	2020-21	% increase / (decrease)
Average salaries of all employees other than Key Managerial Personnel	2.92	2.63	(9.93)
Key Managerial Personnel			
- Salary of Managing Director	240.00	0.00	(100.00)
- Salary of Chief Financial Officer	81.84	33.91	(58.57)
- Salary of Company Secretary	47.17	34.57	(26.71)

Affirmation:

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

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

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

Particulars	Name	Shri Ramesh Kumar Sharma	Shri Sanjeev Bhatia	Shri Raja Ram Sugla	Shri Kuldeep Singh	Shri Nikhilesh Govil*
	(1)	(2)	(3)	(4)	(5)	
Designation	Executive Director & COO	Chief Financial Officer	President (Accounts & Taxation)	President (Accounts & Audit)	President (Online & New Initiatives)	
Remuneration received	Rs.33.33 lakh	Rs.33.91 lakh	Rs.31.34 lakh	Rs.31.34 lakh	Rs.30.27 lakh	
Nature of employment	As per Members' Resolution	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee	
Qualification	Certified Associate of Indian Institute of Bankers, M.Com., B.Com.	Certified Associate of Indian Institute of Bankers, M.B.A., M.A., B.A.	Chartered Accountant, B.Com.	Chartered Accountant, B.Sc.	M.B.A., B.E.	
Experience (in years)	43	35	21	15	15	
Date of commencement of employment	April 1, 2007	August 1, 2008	April 1, 2006	October 1, 2008	November 7, 2015	
Age (in years)	63	59	45	43	39	
Previous employment	State Bank of Bikaner & Jaipur	State Bank of India	Private Consultant	Private Consultant	Kotak Mahindra Capital Company Limited	
Percentage of Equity Shares held (%)	0.03	0.03	0.02	0.02	0.01	
Relative Director	None	None	None	None	None	

PC JEWELLER LIMITED

Particulars	Name	Shri Vijay Panwar	Shri Vivek Jain	Mrs. Sheiba Anand	Shri Ram Avtar Yadav	Ms. Nupur Vasdev
	(6)	(7)	(8)	(9)	(10)	
Designation	Company Secretary	Chief Technical Officer	President (Retail Operations)	AVP (HR)	Manager	
Remuneration received	Rs.34.57 lakh	Rs.38.15 lakh	Rs.37.19 lakh	Rs.26.68 lakh	Rs.16.18 lakh	
Nature of employment	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee	Permanent Employee	
Qualification	Company Secretary, M.B.A., LL.B., B.Sc.	Chartered Accountant	B.A., B.H.M.	M.A., M.M.S., LL.B.	B.A. (Hons), Diploma in Diamond & Gems Grading	
Experience (in years)	16	30	25	14	9	
Date of commencement of employment	January 21, 2008	February 1, 2018	April 1, 2015	January 1, 2008	October 1, 2014	
Age (in years)	46	55	50	56	29	
Previous employment	Mast Mobile Media Private Limited	Independent Consultant	Genesis Colors	Indian Air Force	Amrapali Jewels	
Percentage of Equity Shares held (%)	0.00 [#]	0.00	0.00	0.00 [#]	0.00	
Relative Director	None	None	None	None	None	

* Resigned from the Company w.e.f. February 1, 2021.

rounded off to nil.

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



ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

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

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

Composition of CSR committee: https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/fy-20/Composition_of-Board-Committees.pdf

CSR Policy: https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/PCJ_CSR%20Policy.pdf

CSR projects approved by the board: <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/downloads/FY-2021/CSR-Project.pdf>

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

Not applicable for the financial year under review.

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

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

6. Average net profit of the company as per section 135(5): Rs.318.42 crore

7. (a) Two percent of average net profit of the company as per section 135(5): Rs.6.37 crore

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs.6.37 crore

PC JEWELLER LIMITED

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Promoting Education	Clause (ii)	No	Uttarakhand	Dehradun	3 years	6.50 crore	6.50 crore	Not Applicable	No	PC Charitable Society	Applicable for CSR activities undertaken with effect from April 1, 2021.
Total							6.50 crore	6.50 crore				

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

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

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.6.50 crore

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

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	6.37 crore
(ii)	Total amount spent for the Financial Year	6.50 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.13 crore*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.13 crore*

* The Company does not intend to set-off this amount in succeeding financial years.



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

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

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

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

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

(Asset-wise details):

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Place: New Delhi
Date: 27/05/2021

Sd/-
(BALRAM GARG)
Managing Director

Sd/-
(MANOHAR LAL SINGLA)
Chairman CSR Committee

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L36911DL2005PLC134929
2. Name of the Company: PC Jeweller Limited
3. Registered Address: C - 54, Preet Vihar, Vikas Marg, Delhi - 110092
4. Website: www.pcjeweller.com
5. E-mail id: info@pcjeweller.com
6. Financial year reported: April 1, 2020 to March 31, 2021
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 jewellery 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 located out of India. However, as on March 31, 2021, 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: 86 (82 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.465.40 crore
2. Total turnover : Rs.2,669.34 crore
3. Total profit after taxes : Rs.60.84 crore

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): The Company's total spending on CSR during the year was Rs.6.50 crore, which is more than 2% of the average net profits of last 3 financial years.
5. List of activities in which expenditure in 4 above has been incurred: Promoting education

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?: Yes, 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%]: Though the Company's BR Policies / Initiatives do not apply to vendors / suppliers, the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company and / or any of its employees.

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.	For information of the relevant stakeholders and employees, most of the policies are uploaded on the website / intranet of the Company.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, where ever applicable.								
8	Does the company have in-house structure to implement the policy?	The relevant policies / practices are generally embedded in the day-to-day business operations of the Company and are implemented at management levels or through implementing agencies.								
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Yes, where ever applicable.								
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The management of the Company internally keeps on reviewing the implementation of the policies / practices.								

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

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

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

3. GOVERNANCE RELATED TO BR:

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

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

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

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 in the 'Investor' section.

PC JEWELLER LIMITED

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 and / or any of its employees.

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

During the year under review, the Company has not received any complaints with regard to violation of the Codes of Conduct and Whistle Blower Policy and no such complaint was pending as on March 31, 2021.

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

The Company is engaged in the business of manufacturing, sale and trading of jewellery. It manufactures gold and diamond studded jewellery, which are safe for use and do not cause any harm. Jewellery is a recyclable product and India has a tradition of recycling of old jewellery. The Company also encourages this practice and often runs incentive schemes for the customers for exchanging their old jewellery with new jewellery.

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

The Company 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 – 1,522

2. Total number of employees hired on temporary / contractual / casual basis – Nil
3. Number of permanent women employees – 500
4. Number of permanent employees with disabilities - The Company believe in providing equal opportunity to all and do not discriminate amongst them on the grounds of disability. As on March 31, 2021 the Company has 5 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 discourages the practices of child labour, forced labour, involuntary labour and sexual harassment. The Company has not received any complaint in relation to any of these matters during the year under review and no complaint was pending as on March 31, 2021.
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 and bankers etc.

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

Amongst its internal 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 their gender or physical abilities. It provides equal opportunity to employees with disabilities and women employees. The Company also believes in women empowerment and endeavours to provide them more and more employment opportunities. As on March 31, 2021, approximately 33% of its employees are women employees.

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

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

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

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 discourages practices of child labour, forced labour and sexual harassment etc.

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

The Company has not received any complaint related to violation of human rights during the year under review and no complaint was pending as on March 31, 2021.

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. In its efforts to maintain clean environment and to combat green house emissions, the Company has set up 150 KW roof top solar power system at one of its manufacturing unit.

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

No

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

No

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No

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

No

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

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

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

Nil

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

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

The Company is a member of the Gems & Jewellery Export Promotion Council and 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 from time to time and supports various initiatives and issues for better customer experience.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

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

The Company endeavour to contribute towards society on a regular basis. The Company has in place Corporate Social Responsibility ("CSR") Policy. CSR program / project undertaken by the Company in terms of this Policy relate to activities mentioned in Schedule VII of the Companies Act, 2013.

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

The Company had undertaken CSR program through implementing agency.

- 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 under review, the Company spent Rs.6.50 crore towards CSR activities. The details of the project are available in Annexure – 4 to the Director's Report.

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

The project is under implementation. The needful will be ensured once the same get completed.

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

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

Negligible

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

The Company sells 100% hallmarked gold jewellery to provide trust and comfort to its customers. All of its showrooms are 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 and no case was pending as on March 31, 2021.

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

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



REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Your Company considers good corporate governance a pre-requisite for meeting the needs and objectives of its stakeholders and believes that sound corporate governance practices go a long way in retaining their trust and confidence as well as sustaining the interest of all the stakeholders. The Company has always strived to adopt best corporate governance practices and maintain the highest ethical standards.

BOARD OF DIRECTORS

I) COMPOSITION

The Board of Directors ("**Board**") of the Company has an optimum combination of Executive and Non-Executive Directors and more than 50% of the Board comprises of Non-Executive Directors in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"). The Board comprises of 7 Directors (2 Executive and 5 Non-Executive Directors including 1 Woman Director). Independent Directors constitute more than 70% of the Board's strength i.e. more than the requirements of the Companies Act, 2013 (the "**Act**") and LODR Regulations. The composition of the Board as on March 31, 2021 is as under:

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

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

II) INDEPENDENT DIRECTORS

The Company has 5 Independent Directors on its Board including 1 Woman Director. It has received declarations from all Independent Directors that they fulfill the conditions of independence prescribed in the Act as well as LODR

Regulations. Independent Directors in their disclosures have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. The Board after assessing their disclosures confirms that all Independent Directors 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.

Independent Directors are made aware of their roles, responsibilities and liabilities at the time of appointment through a formal letter of appointment, which stipulates the terms and conditions of their appointment. Further, Executive Directors and Senior Management keep Independent Directors updated about the Company, its business model, operations and the industry etc. The details of familiarisation programme imparted to Independent Directors during the year is available on the Company's website and can be accessed through the link <https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/FY-21/Familiarisation-Programmes-during-FY2020-21.pdf>

During the year under review 1 meeting of Independent Directors was held on June 29, 2020 without the presence of Non-Independent Directors and members of the management of the Company. Dr. Manohar Lal Singla, Chaired the meeting.

III) KEY SKILL MATRIX OF THE BOARD

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

PC JEWELLER LIMITED

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,

servicing the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.

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

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

IV) BOARD MEETINGS AND ATTENDANCE

During the year under review 5 meetings of the Board were held and the gap between any two meetings did not exceed 120 days. The requisite quorum was present during all the Board meetings. The Directors were provided all the relevant information and details required for taking informed decisions at the Board meetings. The dates of meetings of the Board, attendance of the Directors thereat and last Annual General Meeting ("AGM") of the Company are as under:

Name	Meetings					AGM
	June 29, 2020	September 14, 2020	November 9, 2020	December 23, 2020	February 12, 2021	August 7, 2020
Shri Balram Garg	√	√	√	√	√	√
Shri Ramesh Kumar Sharma	√	√	√	√	√	√
Dr. Manohar Lal Singla	√	√	√	√	√	√
Shri Krishan Kumar Khurana	√	√	√	√	-	√
Shri Miyar Ramanath Nayak	√	√	√	-	√	√
Shri Suresh Kumar Jain	-	-	√	-	-	√
Mrs. Sannovanda Machaiah Swathi	-	-	√	-	-	√

V) OUTSIDE DIRECTORSHIPS AND THE COMMITTEES POSITIONS

The details of outside directorships, memberships / Chairmanships of Audit Committee and Stakeholders Relationship Committee in Indian public companies as well as directorships in other listed companies and category, as on March 31, 2021 are as under:

Name	Number of outside directorships [®]	Number of outside committee memberships / Chairmanships		Directorships in other listed companies and category
		Member	Chairman	
Shri Balram Garg	4	Nil	Nil	None
Shri Ramesh Kumar Sharma	Nil	Nil	Nil	None
Dr. Manohar Lal Singla	Nil	Nil	Nil	None
Shri Krishan Kumar Khurana	Nil	Nil	Nil	None
Shri Miyar Ramanath Nayak	2	1	Nil	Asian Star Company Limited (Independent Director) Anant Raj Global Limited (Independent Director)
Shri Suresh Kumar Jain	3	4	3	None
Mrs. Sannovanda Machaiah Swathi	2	2	Nil	Simplex Castings Limited (Independent Director) Bhartiya International Limited (Independent Director)



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

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 of the Company have made the disclosures regarding committee positions held by them.

VI) REMUNERATION OF THE DIRECTORS

Non-Executive Directors of the Company 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 out-of-pocket expenses incurred by them for attending the meetings. The details of remuneration paid to the Directors during the year under review are as under:

(Rs. in lakh)				
Name	Sitting Fee	Salary	Bonus / Ex-gratia / Commission / Pension	Total
Shri Balram Garg*	Nil	Nil	Nil	Nil
Shri Ramesh Kumar Sharma	Nil	33.33	Nil	33.33
Dr. Manohar Lal Singla	2.80	Nil	Nil	2.80
Shri Krishan Kumar Khurana	2.40	Nil	Nil	2.40
Shri Miyar Ramanath Nayak	2.00	Nil	Nil	2.00
Shri Suresh Kumar Jain	0.40	Nil	Nil	0.40
Mrs. Sannovanda Machaiah Swathi	0.40	Nil	Nil	0.40

* Voluntarily foregone remuneration during the year.

During the year, no performance linked incentives were paid to any of the Directors and also no stock options were granted to any of the Directors. None of the Non-Executive Directors has any pecuniary relationship or transaction vis-a-vis the Company during the year under review.

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

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

The number of shares and convertible instruments of the Company held by the Directors as on March 31, 2021 are as under:

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

VIII) CODE OF CONDUCT

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

COMMITTEES OF THE BOARD

The Committees of the Board are set up by the Board and are governed by their respective terms of reference. These Committees play a pivotal role in the governance of the Company. The minutes of the meetings of all the Committees of the Board are placed before the Board for noting. There are 7 Committees of the Board as on March 31, 2021, details of which are as under:

I) AUDIT COMMITTEE

A) COMPOSITION AND TERMS OF REFERENCE

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

The role and terms of reference of the Committee, inter-alia, includes oversight of the company's financial

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

B) MEETINGS AND ATTENDANCE

During the year under review 5 meetings of the Committee were held. The dates of meetings and attendance of the Committee members thereat are as under:

Name & Category	Meetings				
	June 29, 2020	September 14, 2020	November 9, 2020	December 23, 2020	February 12, 2021
Dr. Manohar Lal Singla Chairman - Independent Director	√	√	√	√	√
Shri Krishan Kumar Khurana Member - Independent Director	√	√	√	√	-
Shri Miyar Ramanath Nayak Member - Independent Director	√	√	√	-	√
Shri Balram Garg Member - Executive Director	√	√	√	√	√

Dr. Manohar Lal Singla, Chairman of the Committee was present at the last AGM of the Company held on August 7, 2020.

II) NOMINATION AND REMUNERATION COMMITTEE

A) COMPOSITION AND TERMS OF REFERENCE

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

The terms of reference of the Committee, inter-alia,

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



continuance of the term of appointment of Independent Director.

B) MEETINGS AND ATTENDANCE

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

Name & Category	Meeting
	June 29, 2020
Shri Krishan Kumar Khurana Chairman - Independent Director	√
Dr. Manohar Lal Singla Member - Independent Director	√
Shri Suresh Kumar Jain Member - Independent Director	-

Shri Krishan Kumar Khurana, Chairman of the Committee was present at the last AGM of the Company held on August 7, 2020.

C) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Company has in place the Board approved criteria for evaluation of performance of individual Directors including Independent Directors. The process of performance evaluation is based on the evaluation forms, which include a rating mechanism. The criteria for annual performance evaluation of Independent Directors amongst others includes their attendance and contribution at the meetings, devotion of time and effort to understand the Company, its business, their duties and responsibilities, impact and influence on the Board / Committees and adherence to the Code of Conduct etc. Performance of Independent Directors is evaluated by Nomination and Remuneration Committee as well as the Board on the basis of evaluation forms received from all the Directors except the Director being evaluated.

III) STAKEHOLDERS RELATIONSHIP COMMITTEE

A) COMPOSITION AND TERMS OF REFERENCE

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

Regulations.

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

B) MEETINGS AND ATTENDANCE

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

Name & Category	Meetings	
	June 29, 2020	November 9, 2020
Shri Krishan Kumar Khurana Chairman - Independent Director	√	√
Shri Balram Garg Member - Executive Director	√	√
Shri Ramesh Kumar Sharma Member - Executive Director	√	√

Shri Krishan Kumar Khurana, Chairman of the Committee was present at the last AGM of the Company held on August 7, 2020.

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, 2020	Received during the year 2020-21	Resolved during the year 2020-21	Complaints pending as on March 31, 2021
0	49	48	1*

* Resolved after March 31, 2021.

PC JEWELLER LIMITED

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

IV) 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, inter-alia, includes to formulate, monitor and review Risk Management Policy / Plan; to assess / determine risk appetite and monitor risks (including cyber security risk) and to report critical risks, if any, to Audit Committee annually.

B) MEETINGS AND ATTENDANCE

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

Name & Category	Meeting
	January 11, 2021
Shri Balram Garg Chairman - Executive Director	√
Shri Ramesh Kumar Sharma Member - Executive Director	√
Shri Kuldeep Singh Member - Senior Executive	√

V) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A) COMPOSITION AND TERMS OF REFERENCE

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

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

Company thereunder from time to time.

B) MEETINGS AND ATTENDANCE

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

Name & Category	Meetings	
	June 29, 2020	February 12, 2021
Dr. Manohar Lal Singla Chairman - Independent Director	√	√
Shri Krishan Kumar Khurana Member - Independent Director	√	-
Shri Ramesh Kumar Sharma Member - Executive Director	√	√

VI) 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 under review 4 meetings of the Committee were held. The dates of meetings and attendance of the Committee members thereat are as under:



Name & Category	Meetings			
	May 5, 2020	July 1, 2020	August 17, 2020	February 24, 2021
Shri Balram Garg Chairman - Executive Director	√	√	√	√
Shri Ramesh Kumar Sharma Member - Executive Director	√	√	√	√
Shri Krishan Kumar Khurana Member - Independent Director	-	-	-	-

VII) SHARE TRANSFER COMMITTEE

A) COMPOSITION, TERMS OF REFERENCE AND MEETING

The Committee comprises of 3 Directors including 1 Independent Director. Shri Balram Garg, Executive Director is the Chairman of the Committee. Shri Ramesh Kumar Sharma, Executive Director and Shri Krishan Kumar Khurana, Independent Director are the other Members 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 split / consolidation etc.

During the year under review no meeting of the Committee was held. The Committee has been dissolved w.e.f. May 27, 2021.

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
2019-20	August 7, 2020 at 1:00 P.M.	Through Video Conferencing / Other Audio Visual Means	None
2018-19	September 30, 2019 at 3:30 P.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003	None
2017-18	September 29, 2018 at 3:30 P.M.		1. Re-appointment of Shri Suresh Kumar Jain as an Independent Director. 2. Amendment in terms of borrowing powers of the Board.

II) POSTAL BALLOT

During the year under review 1 special resolution for issuance of upto 7,03,30,000 equity shares on preferential basis to Shri Balram Garg, Promoter of the Company, was passed on January 26, 2021 through Postal Ballot Notice dated December 23, 2020.

In view of the extraordinary circumstances due to Covid-19 pandemic and in compliance with relevant MCA Circulars, Postal Ballot Notice was sent only through electronic mode to those Members whose e-mail addresses were registered with the Depository / the Company's Registrar & Transfer Agent - KFin Technologies Private Limited. The Company completed dispatch of the same on December 27, 2020.

The Company engaged the services of KFin Technologies Private Limited as the Agency to provide e-voting facility to its Members. The e-voting facility was available from 9:00 A.M. on December 28, 2020 to 5:00 P.M. on January 26, 2021. The communication of assent / dissent of Members taken place only through e-voting facility. Shri Randhir Singh Sharma, Practicing Company Secretary, was appointed as the Scrutinizer for conducting 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 result of Postal Ballot was announced on January 27, 2021 and the details of voting pattern in respect of the resolution passed are as under:

PC JEWELLER LIMITED

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
Promoter and Promoter Group	183470096	183470096	183470096	0	100.0000	0.0000
Public – Institutions	9566510	2547110	2547110	0	100.0000	0.0000
Public – Non Institutions	202037290	3940837	1801865	2138972	45.7229	54.2771
Total	395073896	189958043	187819071	2138972	98.8740	1.1260

No special resolution is proposed to be conducted through Postal Ballot on or before 16th Annual General Meeting of the Company.

SUBSIDIARY COMPANIES

The Company has following wholly owned and step down subsidiary companies as on March 31, 2021:

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

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

In terms of Regulation 17(8) of LODR Regulations, the Certificate by Managing Director and Chief Financial Officer of the Company for the financial year ended March 31, 2021 was placed before the Board and the same is annexed as **Annexure - 2**.

CERTIFICATE REGARDING NON-DEBARMENT OF THE DIRECTORS

None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by Securities and Exchange Board of India ("SEBI") / Ministry of Corporate Affairs or any such statutory

authority and a certificate to this effect by M/s R S Sharma & Associates, Practicing Company Secretaries is annexed as **Annexure - 3**.

DISCLOSURES

I) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

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

During the year under review, the Company made allotment of 7,03,30,000 equity shares having face value of Rs.10/- each at an issue price of Rs.30/- per share to Shri Balram



Garg, Promoter of the Company, on preferential basis, in accordance with the provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The preferential issue was made by the Company for conversion of loan aggregating to Rs.210.99 crore extended to it by Shri Balram Garg and no fresh funds have been raised pursuant to the preferential issue. There was no deviation or variation in use of proceeds of preferential issue.

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

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

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

There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the stock exchanges, SEBI or any other statutory authority relating to capital markets during the last three years except that the Company has complied with the requirements of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019 and Regulation 24A(2) of LODR Regulations after the prescribed timeline.

No penalty or stricture was imposed on the Company by any stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. However, the Company has paid a settlement amount of Rs.19,12,500/- towards settlement of charges under SEBI settlement order dated November 5, 2019.

VI) WHISTLE BLOWER POLICY

The vigil mechanism as envisaged in the Act and LODR Regulations is implemented by the Company through Whistle Blower Policy. The Policy provides a mechanism for the Directors and employees of the Company to report about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and leak of unpublished price sensitive information etc. and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. No personnel has been denied access to the Chairman of Audit Committee. During the year under review, the Company had not received any complaint under Whistle Blower Policy and no complaint was pending as on March 31, 2021. The Policy is available on the Company's website and can be accessed through the link <https://>

corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/fy-20/Whistle-Blower-Policy.pdf

VII) 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 except that the Company has complied with the requirement of Regulation 24A(2) of LODR Regulations after the prescribed timeline. 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) **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.
- b) **Modified opinion(s) in audit report:** The Company's financial statements are with modified audit opinion. However, the Company is committed to move towards a regime of financial statements with unmodified audit opinion.
- c) **Reporting of internal auditor:** Internal auditor periodically reports to Managing Director and has direct access to Audit Committee.

VIII) NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

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

IX) 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.2,222.73 crore
- b) **Exposure of the Company to various commodities:**

PC JEWELLER LIMITED

Commodity Name	Exposure 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)	Rs.2,212.86 crore	5,036.57 Kg	-	-	-	-	
Silver	Rs.9.87 crore	1,793.77 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.

X) PROHIBITION OF INSIDER TRADING

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

MEANS OF COMMUNICATION

The financial results of the Company were submitted with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") electronically through BSE Listing Centre and NEAPS respectively and are also available on the Company's website www.pcjeweller.com. The results were also published in leading newspapers Financial Express (English) and Jansatta (Hindi).

Annual Reports, notices of the meetings and other communications are sent to Members through e-mail, post or courier. However, last year and this year in view of the outbreak / continuance 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. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 5, 2020 and SEBI vide its Circular SEBI/HO/CFD/CMD 2/CIR/P/2021/11 dated January 15, 2021 read with Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 permitted the Companies to send the Annual Report only by e-mail to Members of the Company. Therefore, Annual Report for FY 2020-21 including Notice of 16th AGM of the Company is being sent to Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

Management presentations on quarterly results, quarterly shareholding patterns, Annual Reports and other important information submitted by the Company with BSE and NSE from time to time are also displayed on the Company's website.

GENERAL SHAREHOLDER INFORMATION

I) ANNUAL GENERAL MEETING

Day & Date : Thursday, September 30, 2021
 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

1st April to 31st March

III) DATE OF BOOK CLOSURE

N.A.

IV) DIVIDEND PAYMENT DATE

The Directors of the Company have not recommended any dividend for the year.

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

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

Name 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 2021-22 to both the exchanges.



VI) MARKET PRICE DATA

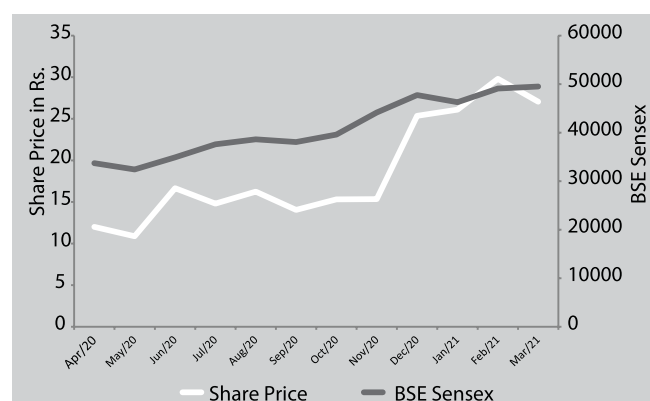
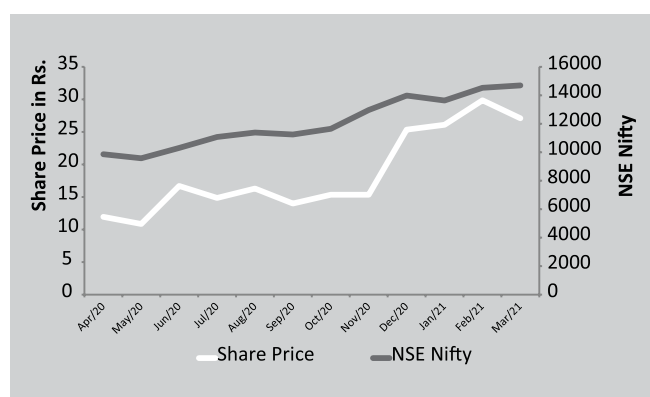
The monthly high and low prices of the equity shares of the Company at BSE and NSE during the year under review were as under:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2020	14.01	10.89	13.85	10.85
May, 2020	12.15	9.69	11.90	9.90
June, 2020	18.50	10.85	18.25	10.85
July, 2020	17.75	13.55	17.55	13.60
August, 2020	18.85	14.80	18.65	14.80
September, 2020	16.75	13.10	16.55	13.00
October, 2020	18.52	13.13	18.50	12.75
November, 2020	17.40	15.15	17.40	15.15
December, 2020	27.80	15.45	27.80	15.45
January, 2021	30.50	24.35	30.55	24.20
February, 2021	32.40	25.95	32.35	25.85
March, 2021	32.75	25.65	32.95	23.00

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

IX) SHARE TRANSFER SYSTEM

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

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

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

In view of the above, the Company has transferred an amount aggregating to Rs.2,47,573/- pertaining to unclaimed dividend for financial year 2012-13 and unclaimed interim dividend for financial year 2013-14 and 1,460 equity shares to IEPF during the year under review. Members, whose unclaimed dividends / shares have been transferred to IEPF can claim the same by making an application to the IEPF Authority.

PC JEWELLER LIMITED

XI) DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the Company as on March 31, 2021 is as under:

Number of Shares	Shareholders		Equity Shares	
	Number	% of Total	Number	% of Total
1 - 500	1,76,225	79.73	2,31,14,205	4.97
501 - 1000	20,114	9.10	1,58,27,110	3.40
1001 - 2000	11,932	5.40	1,78,42,628	3.83
2001 - 3000	4,382	1.98	1,11,25,274	2.39
3001 - 4000	2,120	0.96	75,80,974	1.63
4001 - 5000	1,535	0.69	71,84,932	1.54
5001 - 10000	2,594	1.17	1,87,71,031	4.03
10001 - 20000	1,203	0.54	1,68,76,441	3.63
20001 & above	926	0.42	34,70,81,301	74.58
Total	2,21,031	100.00	46,54,03,896	100.00

XII) SHAREHOLDING PATTERN

The shareholding pattern of the Company as on March 31, 2021 is as under:

Category of Shareholders	Number of Shareholders	Number of Equity Shares	% of Shareholding
A) Promoter & Promoter Group			
Individuals & HUF (Indian)	5	25,38,00,096	54.53
Total Promoter & Promoter Group Shareholding (A)	5	25,38,00,096	54.53
B) Public Shareholding			
1) Institutions			
Financial Institutions & Banks	2	69,51,672	1.49
Foreign Portfolio Investors	15	23,62,098	0.51
Sub-Total B(1)	17	93,13,770	2.00
2) Non-Institutions			
Bodies Corporate	371	1,55,54,581	3.34
Individuals & HUF	2,19,004	18,00,94,295	38.70
Non Resident Indians	1,092	43,01,357	0.92
Non Resident Indians Non-Repatriable	379	7,96,783	0.17
Clearing Members	159	14,99,354	0.32
NBFC	1	2,200	0.00
Trusts	1	25,000	0.01
Foreign Nationals	1	15,000	0.00
IEPF	1	1,460	0.00
Sub-Total B(2)	2,21,009	20,22,90,030	43.47
Total Public Shareholding B=B(1)+B(2)	2,21,026	21,16,03,800	45.47
Grand Total (A+B)	2,21,031	46,54,03,896	100.00

XIII) 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, 2021 total of 46,54,02,960 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:

Name of the Depository	Number of Equity Shares	% of Shareholding
National Securities Depository Limited	11,33,75,640	24.36
Central Depository Services (India) Limited	35,20,27,320	75.64



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

No GDRs / ADRs / Warrants or any Convertible Instruments have been issued by the Company during the year under review and nothing is outstanding as on March 31, 2021.

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

During the year under review, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2021.

XVI) FEES PAID TO STATUTORY AUDITORS

Total fee (including re-imbursment of expenses) for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part for the financial year 2020-21 was Rs.0.32 crore.

XVII) CREDIT RATINGS

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

Agency	Instrument	Date	Rating
CRISIL Limited	Fund-based & non fund-based bank facilities	April 3, 2020	CRISIL D
CARE Ratings Limited	Fixed deposit programme	January 5, 2021	CARE D (FD), Issuer not cooperating

XVIII) PLANT LOCATIONS

As on March 31, 2021 the Company is having 4 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)

XIX) 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

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, 2021.

For **PC Jeweller Limited**

Sd/-

(BALRAM GARG)

Managing Director

DIN: 00032083

Date: April 17, 2021

Place: Delhi

MD / CFO CERTIFICATE

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, 2021 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**

Sd/-

(SANJEEV BHATIA)

Chief Financial Officer

Sd/-

(BALRAM GARG)

Managing Director

DIN: 00032083

Date: May 27, 2021

Place: Delhi



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 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority:

S. No.	Name of Director	DIN	Initial date of appointment
1	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: August 3, 2021

Sd/-
(RANDHIR SINGH SHARMA)
Proprietor

Mem. No.: FCS2062, C.P. No.: 3872
UDIN: F002062C000726643

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY OVERVIEW AND MARKET SIZE

India's Gems & Jewellery industry is one of the largest in the world. Gems & 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 is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour.

Indians have always been connoisseurs of precious stones and ornaments. Trade secrets of the jewellery business have been handed down over generations, ensuring continuity of traditional craft. Thus, India is today the world's largest diamond cutting and polishing centre and exports ~75% of the world's polished diamonds. India has been adding modern techniques to its traditional knowhow that are more in tune with global market trends.

Gems & Jewellery market comprises of gold, diamond studded and silver jewellery as well as precious and semi-precious gemstones and its jewellery. Majority portion of gold jewellery manufactured in India is for domestic consumption, whereas major portion of polished diamonds or finished diamond jewellery is exported. India has 10 special economic zones for Gems & Jewellery. These zones have more than 500 manufacturing units, which contribute 30% of the country's total exports.

Gems & Jewellery industry is extremely export oriented and labour intensive. However, Gems & Jewellery exports have been on a declining trend since the beginning of FY20 on account of various domestic as well as global challenges including 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 and resurgence of Covid-19 in key export markets such as USA and Europe, etc. has created further hurdles for this export oriented industry.

The overall gross exports of Gems & Jewellery declined by 28.46% to US\$ 25.31 billion during April 2020 to March 2021 as compared to US\$ 35.37 billion during the same period last year. Cut and polished diamonds account for the highest and gold jewellery accounts for the second highest share in India's exports of Gems & Jewellery. However, during the year cut and polished diamonds as well as gold jewellery registered decline in exports by 12.13% to US\$ 16.40 billion and 59.49% to US\$ 4.82 billion respectively. On the other hand export of silver jewellery witnessed positive growth of 38.61% to US\$ 2.32 billion. India's top export destinations for Gems & Jewellery are USA, Europe, Japan and

China. USA accounts for nearly one-fourth of the country's total Gems & Jewellery export.

The overall gross imports of Gems & Jewellery declined by 32.36% to US\$ 16.49 billion during April 2020 to March 2021 as compared to US\$ 24.38 billion during the same period last year. During the year import of rough diamonds registered decline by 16.44% to US\$ 10.89 billion while import of cut and polished diamonds witnessed positive growth of 27.22% to US\$ 2.18 billion.

SEGMENT WISE PERFORMANCE

The Company is engaged in the business of manufacturing, retail sale as well as export of jewellery. It offers a wide range of jewellery including 100% hallmarked gold jewellery, certified diamond jewellery and silver articles. 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 the year under review was Rs.2,556.16 crore (96%) and Rs.113.18 crore (4%) respectively. The segment wise revenue, results, assets and liabilities of the Company as on March 31, 2021 on standalone basis are as under:

(Rs. in crore)	
Particulars	Amount
Segment Revenue:	
Net sales/income from the segment	
a) Exports	113.18
b) Domestic	2,556.16
Total income from operations	2,669.34
Segment Results:	
Profit/(loss) before tax and interest from each segment	
a) Exports	(14.00)
b) Domestic	419.40
Total profit before finance cost and unallocable expenditure	405.40
Less:	
i) Finance costs	380.05
ii) Unallocable expenses, net	20.94
Net profit before tax	4.41
Segment Assets:	
a) Exports	1,628.07
b) Domestic	7,373.72
c) Unallocable	346.12
Total segment assets	9,347.91
Segment Liabilities:	
a) Exports	1,519.70
b) Domestic	3,418.15
c) Unallocable	134.72
Total Segment Liabilities	5,072.57



OPPORTUNITIES AND THREATS

Indians have a strong cultural affinity to gold and its purchase is deeply ingrained in the psyche. Gold serves the dual purpose of consumption (jewellery) and investment (bars / coins). Strong association of jewellery with weddings and festivals creates a natural demand for expenditure on jewellery in India. Such an association is not only unique to India but also offers a natural advantage to the jewellery retailing that caters to this association.

Though the jewellery sector like any other has been adversely impacted by the Covid-19 pandemic and subsequent lockdowns / restrictions during the year as well during second wave in the country, it continues to remain poised for growth on account of India's demographics as well as increasing urbanisation and income levels.

The traditional demand for jewellery for special occasions like weddings and festivals continues to remain strong. At the same time jewellery is also becoming a life style and fashion accessory, especially among the urban working class women. The demand for jewellery is seen to be increasing amongst the younger generations also. The sector is witnessing changes in customer preferences due to adoption of western lifestyle and their demand for new designs and varieties, especially light weight and diamond studded 18kt 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 Government of India has made hallmarking mandatory for gold jewellery and artefacts w.e.f. July 2021 and this will further boost the organised jewellery sector. The government has permitted 100% foreign direct investment ("FDI") under the automatic route in the sector. The cumulative FDI in diamond and gold ornaments stood at US\$ 1.19 billion between April 2020 and March 2021.

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 jewellery resulting into huge opportunity in online sale of jewellery. Although, this channel currently caters to low ticket items only, but consequent to disruptions caused by the Covid-19 pandemic, this channel is slowly gaining popularity with the customers for even higher category jewellery.

The Company does not perceive any major or predictable threats except that the retail jewellery is 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 increasing the working capital requirement even further. Further, the diamond jewellery despite having higher margins has a much longer cash conversion cycle vis-a-vis gold and this also resulted in increasing the working capital intensity of the jewellery business.

OUTLOOK

On account of Covid-19 pandemic and lockdowns / restrictions induced by it, the GDP had a de-growth of 7.30% during FY2021 which was preceded by a growth of only 4.20% during FY2020, which was the lowest during the past eleven years. This had resulted in slowdown in the jewellery demand during FY2019-20 and the first half of FY2020-21. Though the demand had picked up in Q3 of FY2020-21 and continued to be robust during Q4 as well, the emergence of second wave of Covid-19 starting from the last week of March 2021 and its continuance during the months of April and May 2021 has implied that the industry has again lost its crucial summer season. Since the demand traditionally remains subdued during the Q2, the consumer sentiment as well as gold prices are very crucial for reviving the demand during Q3. Gradual recovery is expected from Q3 FY2021-22 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 & Jewellery industry 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 provide variety in terms of products and designs. Online sale are expected to account for 1-2% of the fine jewellery segment soon.

RISKS AND CONCERNS

Relatively long operating cycle and working capital intensive nature of business is an inherent characteristic of the Gems & Jewellery industry. At the same time economic slowdown, weakening demand from main importing nations, tightening of lending terms by banks and stress on working capital are some of the key challenges being faced by this industry currently.

The continuance and resurgence of Covid-19 is affecting all the businesses and industries. Due to outbreak of second wave of Covid-19, the sales of the Company are once again adversely impacted during Q1 FY2021-22 and it has lost the sales of the Navratras, Akshay Tritiya as well of summer wedding season. Though the lockdowns / restrictions are now being relaxed and the situation started improving gradually but the consumer sentiments and the footfalls still remain muted. However, the Company is confident of the long term sustainability of jewellery business in India and continues to work on its internal processes to provide its consumers with a delightful and safe shopping experience.

PC JEWELLER LIMITED

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 duly 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 systems and procedures in place to take care of these concerns.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has effective internal control systems in place, which are regularly reviewed by independent internal 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 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, 2021. The Company's internal financial controls over financial reporting continue to operate effectively even during the Covid-19 related lockdowns / restrictions.

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 statements of the Company during the year under review as compared to previous year are as under:

(Rs. in crore except earnings per share)		
Particulars	2020-21	2019-20
Revenue from operations	2,669.34	4,938.59
Total income	2,700.01	5,016.04
Total expenses	2,695.60	4,892.50
Profit before tax	4.41	123.54
Tax expense	(56.43)	45.04
Net profit after tax	60.84	78.50
Total comprehensive income	61.42	79.35
Earnings per equity share (Rs.)		
a) Basic	1.50	1.99
b) Diluted	1.50	1.98

As a result of lockdowns and other restrictions caused due to Covid-19 pandemic, the revenue from operations of the Company on standalone basis reduced to Rs.2,669.34 crore as compared to Rs.4,938.59 crore during previous financial year. However, the Company continued to remain in black even with reduced revenue.

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	2020-21	2019-20	% Change	Explanations
Debtors Turnover	Times	1.73	2.78	(37.77)	On account of Covid-19 induced lockdowns / restrictions and shutting of business both within the country as well as overseas.
Inventory Turnover	Times	0.48	0.96	(50.00)	On account of nearly 50% decline in the sales turnover due to Covid-19 induced lockdowns / restrictions.
Interest Coverage Ratio	Times	1.01	1.33	(24.06)	NA
Current Ratio	Times	2.11	1.98	6.57	
Debt Equity Ratio	Times	0.74	0.83	(10.84)	
Operating Profit Margin	%	14.91	9.97	49.55	The Company has lower margins in the export business. During FY2020-21, the percentage of export business in the overall business was approx 4% only vis a vis 13% during FY2019-20. The gross margins in domestic business are much higher than export business resulting in increase in the operating margins during the FY2020-21. The Company had also taken several cost cutting steps during the year which had a positive effect on its bottom line.
Net Profit Margin	%	2.28	1.59	43.40	
Return on Net Worth	%	1.42	1.96	27.55	



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. During the spread and continuance of Covid-19 keeping in view the safety of its employees, the Company adopted work from

home policy to the extent possible and also adopted the practice of social distancing norms, thermal screening and sanitisation. As on March 31, 2021 the Company had 1,522 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.

FINANCIAL STATEMENTS





**STANDALONE
FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PC JEWELLER LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of **PC Jeweller Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021 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 financial year ended 31 March 2019 had provided discounts of ₹513.65 crore to its export customers which had been adjusted against the revenues for the said year. The Company had initiated the process of complying with the requirements of the Master Circular on Exports of Goods and Services issued by the Reserve Bank of India and had filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. Subsequently, the Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹315.21 crore. For the remaining discounts of ₹198.44 crore, in the absence of requisite

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

4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. We draw attention to Note 52 to the accompanying standalone financial statements regarding the delays in receipt of proceeds denominated in foreign currency against export of goods made by the Company to its overseas customers aggregating to ₹1109.40 crores as on 31 March 2021, beyond the timelines stipulated under the Foreign Exchange Management Act, 1999. The management of the Company has filed the necessary applications with the appropriate authority for condonation of such delays to regularize the default. Pending condonation of such delay by the appropriate authority, management is of the view that the possible penalties that may be levied, are currently unascertainable but would not be material and accordingly, no consequential adjustments have been made to the accompanying standalone financial statements with respect to such delay/default.
6. We draw attention to Note 50 to the accompanying standalone financial statements, which describes the uncertainties and management's assessment of the impact of the COVID 19 pandemic on the operations and financial results of the Company. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the financial position and



performance of the Company is significantly dependent on the future developments as they evolve.

7. We draw attention to Note 53 to the accompanying standalone financial statements regarding impairment assessment of company's total exposure in its subsidiaries in the form of investments and receivables (loan, interest accrued and trade receivables). The management of the Company has carried out the impairment assessment using the 'Discounted Cash Flow Valuation Model', which is complex and involves the use of significant management estimates and assumptions that are dependent on expected future market and economic conditions and accordingly recognized additional provision for impairment amounting to ₹4.26 crores in respect of exposure in PC Universal Private Limited in the standalone financial statements of the Company.

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Existence and valuation of inventory</p> <p>The Company has an inventory balance of ₹5,793.72 crore as at 31 March 2021, as disclosed in Note 10 of the accompanying standalone financial statements. Refer Note 3(j) for the corresponding accounting policy adopted by the management with respect to the inventory balance.</p> <p>The Company purchases gold from nominated agencies prescribed by Reserve Bank of India. Further, the Company also purchases gold and diamonds from institutional parties and from the customers as per the exchange schemes announced by the Company.</p> <p>With respect to existence of inventory as at year end, there is an inherent risk of loss from theft or possible malafide intent, due to the high intrinsic value and portable nature of individual inventory items.</p> <p>In addition to the physical verification performed by the management with the help of an independent professional gemologist, the lenders of the Company also conduct stock counts with the help of their appointed independent gemologists.</p> <p>With respect to valuation of the inventory, the Company categorizes diamonds purchased into the respective cost categories defined by the management based on price bands and other physical characteristics of the diamonds.</p> <p>Considering the complexities involved, portable nature of diamonds, high inherent risk and high level of estimation uncertainty involved in valuation of the inventory, the existence and valuation of inventory has been determined as key audit matter for the current year audit.</p>	<p>Our audit work in relation to the existence and valuation of inventory included, but was not limited to, performing the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for physical verification, recognition and measurement of purchase cost of gold, diamonds and manufactured jewellery items. • 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. • Assessed the appropriateness of accounting policy and management valuation methodology adopted by the management. • 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. • Obtained the physical verification records performed by the management as at the year end. • Inspected reports of physical verification done by gemologists appointed by the lenders of the Company for corroborative evidence. • Performed independent test counts for certain locations subsequent to year-end and other safeguarding procedures, and performed roll-back procedures, to corroborate management counts and valuation based on management categorization, with the help of an independent professional gemologist. • On a sample basis, tested samples of inventory sold near year-end to corroborate management's assessment of net realizable value of closing inventory balance. • Obtained valuation report from independent Gemologist to corroborate management's assessment of net realizable value of closing inventory balance of Diamonds. • Evaluated disclosures made in the accompanying financial statements for appropriateness and adequacy in accordance with the requirements of the accounting standards.

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

10. The company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance, Director's Report including annexures to Director's 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 during the course of 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 communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations. 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

11. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets

of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

12. In preparing the standalone financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
13. The Board of Directors are also responsible for overseeing the company's financial reporting process.

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

14. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

19. The standalone financial statements of the Company for the year ended 31 March 2020 were audited by the previous auditors of the Company who have expressed a modified opinion vide their report dated 29 June 2020 on such standalone financial statements.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act, based on our audit and to the best of our information and according to the explanations given to us, we report that the remuneration paid by the Company to its directors during the year is within the limit prescribed under Schedule V of the Companies Act, 2013. However, on account of bank defaults in payment of dues during the year, requisite approvals required from the bankers and shareholders as per Schedule V of the Act in this regard are yet to be obtained.
21. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
22. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - (b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - (d) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply

with Ind AS specified under section 133 of the Act;

- (e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per "**Annexure B**" expressed unmodified opinion; and
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company, as detailed in Note 44 to the standalone financials statements, has disclosed

the impact of pending litigations on its financial position as at 31 March 2021;

- 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 2021.
- 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 2021.

For Arun K Agarwal & Associates

Chartered Accountants

(Firm's Registration No. 003917N)

Sd/-

Arun Kumar Agarwal

(Partner)

M. No. 082899

UDIN: 21082899AAAADO6955

Place: New Delhi

Date: 27.05.2021


Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweller Limited, on the standalone financial statements for the year ended 31 March 2021

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

- i. (a) 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) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of 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 Liabilities Partnership (LLPs) or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv. In our opinion, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the grant of loan and making investment. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
- v. In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. 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:

Name of the Statute	Nature of the dues	Amount (₹ in crore)	Period to which amount relates	Due Date	Date of Payment
Income-tax Act, 1961	Income-tax (including interest)	112.25	AY 2018-19	15.03.2018	Not yet paid

PC JEWELLER LIMITED

- (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:

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

- viii. The Company has delayed in repayment of loans or borrowings to Banks in respect of ₹213.88 Crores as on 31 March 2021. Refer Note 19 to the standalone financial statements. There are no loans or borrowings to government or dues to debenture holders. The lender wise details are tabulated as under:

PARTICULARS	Amount of Default (₹ in crore)	Period of Default
Bank Dues (Working Capital Loans, Cash Credit Facilities and SBLC Devolvement)		
- Punjab National Bank	59.62	The delay in repayments is ranging between 1 to 360 days as on 31 March 2021
- Corporation bank	0.89	
Bank Dues (Funded Interest Term Loan Facilities)		
- State Bank of India	43.40	
- Punjab National Bank	27.49	
- Union Bank of India	11.84	
- Corporation Bank	12.79	
- Allahabad Bank	11.08	
- Bank of India	12.00	
- Indian Overseas Bank	9.45	
- Syndicate Bank	7.25	
- IDBI BANK	5.92	
- Bank of Baroda	2.20	
- Axis Bank	1.58	
- IDFC	3.71	
- Canara Bank	1.68	
- KVB Bank	1.70	
- IndusInd Bank	1.28	
Total	213.88	

- ix. The company did not raise any money 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 material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Managerial remuneration paid by the Company to its directors during the year is within the limit prescribed under Schedule V of the Act. However, on account of bank defaults in payment of dues during the year, requisite approvals required from the bankers and



- shareholders as per Schedule V of the Act in this regard are yet to be obtained. An amount of ₹33.33 lacs has been paid as managerial remuneration to the whole time director during the year. Steps for recovery or otherwise in this regard are yet to be taken by the Company.
- xii. In our opinion, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and requisite details of such transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.
- xiv. During the year, the Company has made allotment of 7,03,30,000 equity shares having face value of ₹ 10 /- each, at an issue price of ₹ 30/- per share to Shri Balram Garg, promoter of the company, on preferential basis pursuant to conversion of unsecured loan amounting to ₹ 210.99 crores extended by him to the company in the earlier years. As per the information and explanations given to us, the Company has made compliance of provisions of section 42 of the Act, as applicable.
- xv. In our opinion, the company has not entered into non-cash transactions with directors or persons connected with them covered under section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Arun K Agarwal & Associates

Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-

Arun Kumar Agarwal

(Partner)
M. No. 082899
UDIN: 21082899AAAADO6955

Place: New Delhi

Date: 27.05.2021

Annexure B to Independent Auditors' Report

Referred to Para 22(g) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of **PC JEWELLER LIMITED** ("the company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

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

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls,



material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial control with reference to financial statements criteria established by the company considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Arun K Agarwal & Associates

Chartered Accountants

(Firm's Registration No. 003917N)

Sd/-

Arun Kumar Agarwal

(Partner)

M. No. 082899

UDIN: 21082899AAAADO6955

Place: New Delhi

Date: 27.05.2021

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2021

			(₹ in crore)	
		Notes	As at 31 March 2021	As at 31 March 2020
A	Assets			
1	Non-current assets			
	a) Property, plant and equipment	4	32.50	45.15
	b) Right-of-use assets		92.91	105.91
	c) Intangible assets under development		-	0.75
	d) Other intangible assets	4	1.00	-
	e) Financial assets			
	i) Investments	5	136.25	136.25
	ii) Loans	6	156.05	149.84
	iii) Other financial assets	7	2.38	1.02
	f) Deferred tax assets (net)	8	51.21	46.71
	g) Other non-current assets	9	9.73	14.95
	Total non-current assets		482.03	500.58
2	Current assets			
	a) Inventories	10	5,793.72	5,258.84
	b) Financial assets			
	i) Investments	11	8.06	7.53
	ii) Trade receivables	12	1,305.33	1,780.55
	iii) Cash and cash equivalents	13	54.51	14.71
	iv) Bank balance other than (iii) above	14	119.80	212.20
	v) Loans	6	34.38	36.25
	vi) Other financial assets	7	0.02	0.02
	c) Other current assets	9	66.05	70.89
	Total current assets		7,381.87	7,380.99
	Total assets		7,863.90	7,881.57
B	Equity and Liabilities			
1	Equity			
	a) Equity share capital	15	465.40	395.00
	b) Other equity	16	3,809.94	3,607.03
	Total equity		4,275.34	4,002.03
	Liabilities			
2	Non-current liabilities			
	a) Financial liabilities			
	i) Borrowings	17	0.32	0.66
	ii) Lease liabilities		90.43	101.78
	b) Provisions	18	4.62	44.09
	Total non-current liabilities		95.37	146.53
3	Current liabilities			
	a) Financial liabilities			
	i) Borrowings	19	2,293.82	2,282.40



(₹ in crore)

	Notes	As at 31 March 2021	As at 31 March 2020
ii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises; and		0.52	1.49
- Total outstanding dues of creditors other than micro enterprises and small enterprises		919.71	1,079.56
iii) Lease liabilities		29.54	29.85
iv) Other financial liabilities [other than those specified in item (c)]	21	55.82	110.16
b) Other current liabilities	22	63.68	100.61
c) Provisions	18	2.25	2.81
d) Current tax liabilities (net)	23	127.85	126.13
Total current liabilities		3,493.19	3,733.01
Total liabilities		3,588.56	3,879.54
Total equity and liabilities		7,863.90	7,881.57

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

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

For and on behalf of the Board of Directors

For Arun K Agarwal & Associates

Chartered Accountants
Firm's Registration No.: 003917N

Sd/-

Ramesh Kumar Sharma

Executive Director & Chief Operating Officer
DIN-01980542

Sd/-

Balram Garg

Managing Director
DIN-00032083

Sd/-

Arun Kumar Agarwal

Partner
Membership No. 082899

Sd/-

Vijay Panwar

Company Secretary
Membership No. A19063

Sd/-

Sanjeev Bhatia

Chief Financial Officer

Place: New Delhi

Date: 27 May 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

			(₹ in crore)	
		Notes	Year ended 31 March 2021	Year ended 31 March 2020
1	Revenue from operations	24	2,669.34	4,938.59
2	Other income	25	30.67	77.45
3	Total income (1+2)		2,700.01	5,016.04
4	Expenses			
	a) Cost of materials consumed	26	2,954.41	4,611.37
	b) Purchases of stock-in-trade	27	13.60	20.51
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(828.90)	(337.85)
	d) Employee benefits expense	29	40.55	71.57
	e) Finance costs	30	393.68	368.88
	f) Depreciation and amortisation expenses	31	33.26	34.66
	g) Other expenses	32	89.00	123.36
	Total expenses		2,695.60	4,892.50
5	Profit before tax (3-4)		4.41	123.54
6	Tax expense:			
	a) Current tax	33	(51.74)	47.68
	b) Deferred tax	8	(4.69)	(2.64)
	Total tax expense		(56.43)	45.04
7	Profit/(loss) for the year (5-6)		60.84	78.50
8	Other comprehensive income:			
	(i) Items that will not be reclassified to profit or loss:			
	-Remeasurement of post employment benefit obligations		0.78	1.14
	(ii) Income-tax relating to items that will not be reclassified to profit or loss		(0.20)	(0.29)
	Other comprehensive income for the year, net of tax		0.58	0.85
9	Total comprehensive income/(loss) for the year (7+8)		61.42	79.35
10	Earnings per equity share: (face value of ₹ 10 per share)	34		
	Basic earnings per share (in ₹)		1.50	1.99
	Diluted earnings per share (in ₹)		1.50	1.98

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

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

For and on behalf of the Board of Directors

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

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

Sd/-
Balram Garg
Managing Director
DIN-00032083

Sd/-
Arun Kumar Agarwal
Partner
Membership No. 082899

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 27 May 2021



STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

A Equity share capital:

Particulars	Note	No. of shares	Amount
			(₹ in crore)
Issued, subscribed and fully paid up			
Equity shares of ₹ 10 each			
Balance as at 1 April 2019	15	394,647,987	394.65
Changes in equity share capital during the year		354,895	0.35
Balance as at 31 March 2020	15	395,002,882	395.00
Changes in equity share capital during the year			
Issue of ESOP		71,014	0.07
Issue on preferential allotment		70,330,000	70.33
Balance as at 31 March 2021	15	465,403,896	465.40

B Other equity:

Particulars	Reserves and surplus				Total
	Securities premium	General reserve	Share options outstanding account	Retained earnings	(₹ in crore)
Balance as at 1 April 2019	911.45	54.54	42.41	2,533.44	3,541.84
Profit for the year	-	-	-	78.50	78.50
Other comprehensive income for the year (net of income tax)	-	-	-	0.85	0.85
Total comprehensive income for the year	-	-	-	79.35	79.35
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)	-	-
Balance as at 31 March 2020	925.98	54.54	36.56	2,589.95	3,607.03
Profit for the year	-	-	-	60.84	60.84
Other comprehensive income for the year (net of income tax)	-	-	-	0.58	0.58
Total comprehensive income for the year	-	-	-	61.42	61.42
Share option expense for the year	-	-	0.82	-	0.82
Share option expense reversal*	-	13.79	(13.79)	-	-
Transactions with owners in their capacity as owners:					
Issue of equity shares	143.00	-	(2.33)	-	140.67
Balance as at 31 March 2021	1,068.98	68.33	21.26	2,651.37	3,809.94

* The company has transferred an amount of ₹ 13.79 crores from Share Option Outstanding Account to General Reserve on account of 2,77,817 share options lapsed/forfeited in accordance with the ESOP plan 2011.

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

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

For and on behalf of the Board of Directors

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

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

Sd/-
Balram Garg
Managing Director
DIN-00032083

Sd/-
Arun Kumar Agarwal
Partner
Membership No. 082899

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 27 May 2021

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

		(₹ in crore)	
Particulars	As at 31 March 2021	As at 31 March 2020	
A	Cash flow from operating activities:		
	Profit before tax	4.41	123.54
	Adjustments for:		
	Depreciation and amortisation expenses	33.26	34.66
	Share based payments to employees	0.82	7.84
	Interest income on fixed deposit	(5.41)	(13.53)
	Interest income on loans given to subsidiaries and body corporate	(7.51)	(7.57)
	Net profit on disposal of property, plant and equipment	(0.26)	(0.46)
	Income from investments (net)	(0.03)	(0.03)
	Finance costs	380.05	354.00
	Unwinding of discount on security deposits	(0.75)	(1.04)
	Profit on modification of lease	-	(3.05)
	Unrealised gain on foreign exchange	(50.65)	(41.46)
	Actuarial loss forming part of other comprehensive income	0.78	1.14
	Adjustment due to fair valuation of gold loan at unfixed prices	36.76	(16.12)
	Fair valuation adjustment of forwards contracts	1.06	0.02
	Gain on rent reduction/waiver due to Covid-19	(9.45)	-
	Provision for impairment of loan to subsidiary	4.26	6.81
	Advances written off (net of provision for doubtful advance)	-	3.16
	Provision for expected credit loss on trade receivables	-	40.45
	Bad debts written off	-	0.35
	Operating profit before working capital changes	387.34	488.71
	Adjustments for:		
	Increase in inventories	(534.88)	(270.73)
	(Increase)/decrease in financial assets	(6.72)	51.40
	Decrease in non-financial assets	10.06	10.14
	Decrease in trade receivables	532.19	85.20
	Decrease in trade payables	(168.73)	(207.28)
	Decrease in financial liabilities	(36.40)	(17.70)
	Decrease in non-financial liabilities	(36.93)	(70.82)
	Decrease in provisions	(40.02)	(0.38)
	Cash generated from operating activities	105.91	68.54
	Direct taxes paid	14.74	(8.47)
	Net cash generated from operating activities	120.65	60.07
B	Cash flow from investing activities:		
	Purchase of property, plant and equipment including capital advances	(0.61)	(1.46)
	Proceeds from disposal of property, plant and equipment	0.21	0.18
	(Purchase) / redemption of current investments, net	(0.50)	0.89
	Investment in shares of subsidiary	-	(0.05)
	Loans repaid by body corporate including subsidiary companies	-	2.39
	Interest received	8.49	14.67
	Redemption of fixed deposits, net	89.93	23.95
	Net cash generated from investing activities	97.52	40.57



(₹ in crore)

Particulars	As at 31 March 2021	As at 31 March 2020
C Cash flow from financing activities:		
Repayment of long term loans	(11.58)	(17.86)
Proceeds from allotment of employee stock options	0.07	0.21
Proceeds of short term borrowings, net	222.47	191.76
Payment of lease liabilities	(23.29)	(32.54)
Interest paid	(366.04)	(310.23)
Net cash used from financing activities	(178.37)	(168.66)
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	39.80	(68.02)
E Cash and cash equivalents as at the beginning of the year	14.71	82.73
F Cash and cash equivalents as at the end of the year (refer note 13)	54.51	14.71
Components of cash and cash equivalents:		
Balances with banks - in current accounts	19.82	2.09
Cheques on hand	0.13	0.45
Cash on hand	27.35	10.20
Deposits with original maturity of less than 3 months	7.22	1.97
	54.51	14.71

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 balance sheet referred to in our report of even date

For and on behalf of the Board of Directors

For Arun K Agarwal & Associates

Chartered Accountants
Firm's Registration No.: 003917N

Sd/-

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

Sd/-

Balram Garg
Managing Director
DIN-00032083

Sd/-

Arun Kumar Agarwal
Partner
Membership No. 082899

Sd/-

Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-

Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi

Date: 27 May 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021 were authorised and approved for issue by the Board of Directors on 27 May 2021. 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 2021.

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



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

c) Foreign currency translation

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange difference

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

d) Revenue recognition

Sale of goods

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

The Company considers the terms of the contract and

its customary business practices to determine the 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

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

Recognition and initial measurement

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

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

Subsequent measurement (depreciation and useful lives)

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

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.

(ii) **Intangible assets**

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

Recognition and initial measurement

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

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

Subsequent measurement (amortisation and useful lives)

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

Asset category	Estimated useful life (in years)
Software	10



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

De-recognition

An item of intangible asset and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. However, this is the initial year for the company to recognise an intangible asset and no part of the asset has been derecognised or impaired by the company during the year.

f) **Leases**

The Company as a lessee

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

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

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

The right-of-use assets are initially recognized at cost,

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

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

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

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

De-recognition of financial assets

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial liabilities

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

Compound financial instruments

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



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative. The Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices in USD.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

Other derivatives

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

Offsetting of financial instruments

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

i) **Impairment of financial assets**

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

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.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

Other long-term employee benefits

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

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

Short-term employee benefits

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

o) **Share based payments**

Employee stock option plan

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

p) **Operating expenses**

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

q) **Borrowing costs**

Borrowing costs directly attributable to the acquisitions,

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

r) **Fair value measurement**

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

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

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021
NOTE 4: NON-CURRENT ASSETS
A) PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

Particulars	Freehold land	Buildings	Leasehold improvements	Plant and equipments	Office equipments	Computers	Furniture and fixtures	Vehicles	Total
Gross block									
As at 1 April 2019	7.58	3.11	68.12	6.42	23.32	5.62	6.40	6.89	127.46
Additions	-	-	0.66	0.02	0.17	0.11	-	0.20	1.16
Disposals	-	-	(0.50)	-	(0.46)	(0.05)	(0.05)	(0.69)	(1.75)
As at 31 March 2020	7.58	3.11	68.28	6.44	23.03	5.68	6.35	6.40	126.87
Additions	-	-	-	-	0.17	0.13	-	0.01	0.31
Disposals	-	-	(1.56)	(0.08)	(0.37)	(0.01)	(0.30)	(0.75)	(3.07)
As at 31 March 2021	7.58	3.11	66.72	6.36	22.83	5.80	6.05	5.66	124.11
Accumulated depreciation									
As at 1 April 2019	-	1.02	33.72	2.88	19.11	4.12	3.80	3.63	68.28
Charge for the year	-	0.20	9.38	0.46	2.35	0.64	0.74	0.88	14.65
Reversal/adjustment on disposals	-	-	(0.38)	-	(0.34)	(0.04)	(0.04)	(0.41)	(1.21)
As at 31 March 2020	-	1.22	42.72	3.34	21.12	4.72	4.50	4.10	81.72
Charge for the year	-	0.18	8.75	0.49	1.53	0.37	0.54	0.69	12.55
Reversal/adjustment on disposals	-	-	(1.26)	(0.06)	(0.35)	-	(0.27)	(0.72)	(2.65)
As at 31 March 2021	-	1.40	50.21	3.77	22.30	5.09	4.77	4.07	91.61
Net block:									
As at 31 March 2021	7.58	1.71	16.51	2.59	0.53	0.71	1.28	1.59	32.50
As at 31 March 2020	7.58	1.89	25.56	3.10	1.91	0.96	1.85	2.30	45.15

Note: The amount of contractual commitments for the acquisition of property, plant and equipment, but not recognised as a liability as at 31 March 2021 was Nil (31 March 2020: Nil).

b) Other intangible assets

(₹ in crore)

	Computer software	Total
Gross block:		
As at 1 April 2019	-	-
Additions	-	-
As at 31 March 2020	-	-
Additions	1.09	1.09
As at 31 March 2021	1.09	1.09
Accumulated amortisation		
As at 1 April 2019	-	-
Amortisation charge for the year	-	-
As at 31 March 2020	-	-
Amortisation charge for the year	0.09	0.09
As at 31 March 2021	0.09	0.09
Net block:		
As at 31 March 2021	1.00	1.00
As at 31 March 2020	-	-

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5: NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Investments in equity instruments (unquoted) - fully paid up - at cost		
In wholly owned subsidiary companies		
PC Universal Private Limited	0.05	0.05
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each		
Transforming Retail Private Limited	0.01	0.01
10,000 (31 March 2020: 10,000) equity shares of ₹ 10 each		
Luxury Products Trendsetter Private Limited	2.33	2.33
10,000 (31 March 2020: 10,000) equity shares of ₹ 10 each		
PC Jeweller Global DMCC	133.86	133.86
73,400 (31 March 2020: 73,400) equity shares of AED 1,000 each		
PCJ Gems & Jewellery Limited		
50,000 (31 March 2020: 50,000) equity shares of ₹ 10 each	0.05	0.05
	136.30	136.30
Less: Provision for impairment	(0.05)	(0.05)
	136.25	136.25
Aggregate amount of unquoted investments	136.30	136.30
Aggregate amount of impairment in value of investment	(0.05)	(0.05)

NOTE 6: FINANCIAL ASSETS - LOANS

	(₹ in crore)			
	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Security deposits				
-Considered good- unsecured	24.77	1.23	18.56	5.75
Loan to subsidiaries (refer note (a) below and note 37)				
-Considered good- unsecured	123.05	31.91	123.05	29.70
-Credit impaired	-	25.31	-	21.05
Loan to other body corporate (refer note (a) below)				
-Considered good- unsecured	8.23	1.24	8.23	0.80
Less : Loss allowance	-	(25.31)	-	(21.05)
Total	156.05	34.38	149.84	36.25

(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 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
(Unsecured and considered good)				
Deposits with maturity of more than 12 months (refer note (a) below)	2.38	-	1.02	-
Others	-	0.02	-	0.02
Total	2.38	0.02	1.02	0.02
(a) Held as margin money for procurement of gold from suppliers against letter of credit.	2.13	-	0.08	-


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021
NOTE 8: DEFERRED TAX ASSETS (NET)

(₹ in crore)

	As at 31 March 2021	As at 31 March 2020
Deferred tax asset arising on account of		
Difference between accounting base and tax base of property, plant and equipment	13.46	12.98
Provision for employee benefits	1.73	2.12
Deferred lease rent	9.48	6.47
Provision for discount	0.70	1.13
Financial assets and liabilities at amortised cost	1.92	1.60
Expected credit loss on trade receivables	15.75	15.71
Valuation of inventory	1.94	1.54
Others	6.38	5.31
	51.37	46.86
Deferred tax liability arising on account of		
Financial assets at fair value through profit or loss	(0.16)	(0.15)
	(0.16)	(0.15)
Net deferred tax assets	51.21	46.71

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

(₹ in crore)

Particulars	Opening balance as on 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2021
Deferred tax asset arising on account of					
Difference between accounting base and tax base of property, plant and equipment	12.98	0.48	-	-	13.46
Provision for employee benefits	2.12	(0.19)	(0.20)	-	1.73
Deferred lease rent	6.47	3.01	-	-	9.48
Provision for discount	1.13	(0.43)	-	-	0.70
Financial assets and liabilities at amortised cost	1.60	0.32	-	-	1.92
Expected credit loss on trade receivables	15.71	0.04	-	-	15.75
Valuation of inventory	1.54	0.40	-	-	1.94
Others	5.31	1.07	-	-	6.38
	46.86	4.70	(0.20)	-	51.37
Deferred tax liability arising on account of					
Financial assets at fair value through profit or loss	(0.15)	(0.01)	-	-	(0.16)
	(0.15)	(0.01)	-	-	(0.16)
Net deferred tax assets	46.71	4.69	(0.20)	-	51.21

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(b) 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
Deferred tax asset arising on account of					
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
	37.82	1.96	(0.29)	7.37	46.86
Deferred tax liability arising on account of					
Financial assets at fair value through profit or loss	(0.83)	0.68	-	-	(0.15)
Valuation of inventory					-
	(0.83)	0.68	-	-	(0.15)
Net deferred tax assets	36.99	2.64	(0.29)	7.37	46.71

NOTE 9: OTHER ASSETS

(₹ in crore)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Capital advances	-	-	0.08	-
Advance to suppliers	-	24.07	-	38.19
Balances with statutory authorities	-	32.39	3.18	21.14
Prepaid expenses	9.73	4.63	11.69	4.09
Others loans and advances:Others	0.00	4.96	-	7.47
	9.73	66.05	14.95	70.89

NOTE 10: INVENTORIES

(₹ in crore)

	As at 31 March 2021	As at 31 March 2020
(valued at lower of cost and net realisable value)		
Raw materials	1.54	295.56
Work-in-progress	1,951.57	1,639.38
Finished goods	3,832.28	3,315.93
Stock-in-trade	8.33	7.97
	5,793.72	5,258.84


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021
NOTE 11: CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at 31 March 2021	As at 31 March 2020
(₹ in crore)		
Investment in mutual funds (quoted) - at fair value through profit and loss		
Canara Robeco Capital Protection Oriented Fund Series 8 Regular Growth Plan (31 March 2021: Nil units, 31 March 2020: 1,500,000 units)	-	1.75
State Bank of India dual advantage fund - Series - XXIII Regular Growth Plan (31 March 2021: Nil units, 31 March 2020: 1,500,000 units)	-	-
Union Capital Protection Oriented Fund Series 8- Regular Growth Plan (31 March 2021: Nil units, 31 March 2020: 1,500,000 units)	-	1.55
Union Corporate Bond Fund - Regular Growth Plan (31 March 2021: 1,076,745 units, 31 March 2020: 1,076,745 units)	1.29	1.20
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth Plan (31 March 2021: 600,000 units, 31 March 2020: 600,000 units)	0.75	0.67
Canara Robeco Capital Protection Oriented Fund Series 10 Regular Growth Plan (31 March 2021: 250,000 units, 31 March 2020: 250,000 units)	0.31	
ICICI Prudential Corporate Bond Fund - Regular Growth Plan (31 March 2021: 71,825 units, 31 March 2020: 71,825 units)	0.24	0.23
HDFC Top 100 Fund-Growth Plan (31 March 2021: 4,661 units, 31 March 2020: 4,661 units)	0.27	0.16
State Bank of India Magnum Balanced Fund - Regular Growth Plan (31 March 2021: 10,628 units, 31 March 2020: 10,628 units)	0.18	0.13
SBI Banking and PSU Fund Series Regular Growth Plan L348 RG (31 March 2021: 20,467 units, 31 March 2020: Nil units)	5.02	-
	8.06	7.53
Aggregate amount of quoted investments and market value thereof	8.06	7.53

NOTE 12: TRADE RECEIVABLES

	As at 31 March 2021	As at 31 March 2020
(₹ in crore)		
Considered good - secured	-	-
Considered good - unsecured*	1,305.33	1,780.55
Credit impaired on trade receivables	62.56	62.56
Less: Loss allowance	(62.56)	(62.56)
	1,305.33	1,780.55

* Includes receivable from related parties amounting ₹ 9.15 crore (31 March 2020: ₹ 35.93 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

	As at 31 March 2021	As at 31 March 2020
(₹ in crore)		
Balances with banks - in current accounts	19.82	2.09
Cheques on hand	0.13	0.45
Cash on hand	27.35	10.20
Deposits with original maturity of less than 3 months	7.22	1.97
	54.51	14.71
There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.		
(a) Held as margin money for procurement of gold from suppliers against letter of credit.	0.98	
(b) Inter-alia includes deposits of ₹ 2.50 crore (31 March 2020: ₹ 2.41) which are earmarked.		

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

NOTE 14: OTHER BANK BALANCES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Deposits with maturity of more than 3 months but less than 12 months (refer note a & b below)	119.70	212.08
Unclaimed dividend account (refer note c below)	0.10	
	119.80	212.20
(a) Held as margin money for procurement of gold from suppliers against letter of credit.	84.81	93.19
(b) Inter-alia includes deposits of ₹ 0.02 crore (31 March 2020: ₹ 0.02 crore) which are earmarked.		
(c) Not due for deposit to the Investor Education and Protection Fund.		

NOTE 15: EQUITY SHARE CAPITAL

a) Authorised share capital

	(₹ in crore)	
	Number of shares	Amount
Equity shares of ₹ 10 each		
Total authorised equity share capital as at 31 March 2020	440,000,000	440.00
Increase during the year	60,000,000	60.00
Total authorised equity share capital as at 31 March 2021	500,000,000	500.00
Preference shares of ₹ 10 each		
Total authorised preference share capital as at 31 March 2021/31 March 2020	260,000,000	260.00

ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL:

	(₹ in crore)	
	Number of shares	Amount
Equity shares of ₹ 10 each		
Balance as at 1 April 2019	394,647,987	394.65
Issued on exercise of employee stock options	354,895	0.35
Balance as at 31 March 2020	395,002,882	395.00
Issued on preferential allotment	70,330,000	70.33
Issued on exercise of employee stock options	71,014	0.07
Shares issued and fully paid as at 31 March 2021	465,403,896	465.40

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. During the year ended 31 March 2021, after getting necessary approval from share holders as well as in principle approvals from BSE Limited and National Stock Exchange of India limited, the board of the company vide a resolution passed by circulation on 04 February 2021, made allotment of 7,03,30,000 equity shares having face value of ₹ 10 /- each, at an issue price of ₹ 30/- per share to Shri Balram Garg, promoter of the company, on preferential basis, in accordance with the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 pursuant to conversion of unsecured loan amounting to ₹ 2,10,99,00,000 extended by him to the company.

c) Shares reserved for issue under options

3,461,867 equity shares are reserved for the issue under the Employees' stock option plan of the Company. Information relating



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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 2021		As at 31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 10 each				
Mr. Balram Garg	204,282,100	43.89%	133,952,100	33.91%
Mr. Sachin Gupta	-	-	48,462,813	12.27%
Mrs. Krishna Devi	48,462,813	10.41%	-	-
	252,744,913	54.30%	182,414,913	46.18%

*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 2021	As at 31 March 2020
Retained earnings	2,651.37	2,589.95
General reserve	68.33	54.54
Securities premium	1,068.98	925.98
Share options outstanding account	21.26	36.56
	3,809.94	3,607.03

Retained earnings

Retained earnings are created from the profit/loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

General reserve

Under the Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules, 1975. Consequent to introduction of the 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.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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 2021	As at 31 March 2020	Remarks
Secured					
Vehicle loans	8.25%-10.65%	May 2024	0.42	1.40	Refer note (i)
Term loans from banks	11.45%	November 2020	-	10.60	Refer note (ii)
			0.42	12.00	
Less: Current maturities of long term borrowings (refer note 21)			(0.10)	(11.34)	
Total			0.32	0.66	

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

(ii) Term loans from banks (including current maturities) aggregating to ₹ Nil crore (31 March 2020: ₹ 10.60 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 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Provision for employee benefits obligations (refer note 35)	4.62	2.25	5.61	2.81
Provision for unascertained tax liability (refer note below)	-	-	38.48	-
	4.62	2.25	44.09	2.81

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

(₹ in crore)		
Current	As at 31 March 2021	As at 31 March 2020
Balances as at the beginning of the year	38.48	38.48
Add: Provision made during the year	-	-
Less: Utilised during the year	-	-
Less: Written back during the year	38.48	-
Balance as at the end of the year	-	38.48

NOTE 19: CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)					
	Interest rate	Maturity date	As at 31 March 2021	As at 31 March 2020	Remarks
Secured (carried at amortised cost)					
From banks:					
Cash credit facilities	10.20% - 15.00%	Payable on demand	999.96	886.52	Refer note (i)
Funded interest term loans	10.35% - 15.00%	Payable on demand	143.92	-	Refer note (i)
Demand loans	10.35% - 15.00%	Payable on demand	1,145.57	1,180.46	Refer note (i)
Total			2,289.45	2,066.98	
Unsecured					
Loan from related party	Interest free	Payable on demand	4.37	215.42	Refer note (ii)
Total current financial liabilities- borrowings			2,293.82	2,282.40	


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

- (i) Cash credit facilities, Funded interest term loans and demand loans 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 his relatives and corporate guarantees and collateral securities of other companies.
- (ii) The Company had an outstanding interest free loan of ₹ 215.42 crores received from a related party which was repayable on demand. Out of this ₹ 210.99 crore has been converted to Equity pursuant to preferential allotment during the year and ₹ 0.06 crore has been adjusted against outstanding balance of the previous year ended 31 March 2020. (also refer note 37)

Note:- Details of Period and amount of default in loan repayment as at year end:

Name of Bank	Interest/ Principal	As at 31 March 2021		As at 31 March 2020		
		Period of Default	(₹ in crore)	Period of Default	(₹ in crore)	
Punjab National Bank	Interest		6.12		-	
Corporation bank	Interest		0.89		-	
State Bank of India	FITL Principal		43.40		-	
Punjab National Bank	FITL Principal		27.49		-	
Union Bank of India	FITL Principal		11.84		-	
Corporation Bank	FITL Principal	The delay in repayments ranging between 1 to 360 days as on 31 March 2021	12.79		-	
Allahabad Bank	FITL Principal		11.08		-	
Bank of India	FITL Principal		12.00		-	
Indian Overseas Bank	FITL Principal		9.45		-	
Syndicate Bank	FITL Principal		7.25		-	
IDBI BANK	FITL Principal		5.92		-	
Bank of Baroda	FITL Principal		2.20		-	
Axis Bank	FITL Principal		1.58		-	
IDFC	FITL Principal		3.71		-	
Canara Bank	FITL Principal		1.68		-	
KVB Bank	FITL Principal		1.70		-	
IndusInd Bank	FITL Principal		1.28		-	
Punjab National Bank	SBLC Invocation		53.50		-	
Total				213.88		-

NOTE 20: TRADE PAYABLES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.52	1.49
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	919.71	1,079.56
	920.23	1,081.05

* Includes gold on lease ₹ 879.90 crore (31 March 2020: ₹ 1,045.90 crore) on which interest is charged at 2.40% to 3.25% per annum (31 March 2020: 2.25% to 3.25% per annum).

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

NOTE 21: OTHER CURRENT FINANCIAL LIABILITIES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Current maturities of long term debt (refer note 17)	0.10	11.34
Interest accrued but not due on borrowings	0.91	8.66
Unpaid dividends*	0.10	0.12
Creditors for capital goods	-	0.30
Employee related payables	3.67	4.85
Foreign currency payables, net	3.22	46.95
Others	47.82	37.94
	55.82	110.16

* Not due for deposit to the Investor Education and Protection Fund

NOTE 22: OTHER CURRENT LIABILITIES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Advances received from customers	47.75	57.36
Deposits received from customers	11.93	36.42
Statutory dues payable	0.90	0.83
Others	3.10	6.00
	63.68	100.61

NOTE 23: CURRENT TAX LIABILITIES (NET)

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Provision for income-tax (net of prepaid taxes)	127.85	126.13
	127.85	126.13

NOTE 24: REVENUE FROM OPERATIONS

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	2,669.34	4,938.59
	2,669.34	4,938.59

NOTE 25: OTHER INCOME

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on:		
fixed deposits with banks	5.41	13.53
loans to subsidiaries	7.04	7.05
loan to a body corporate	0.47	0.52
other financial assets carried at amortised cost	2.74	3.36
Gain on investments measured at FVTPL	0.03	-
Net Profit on sale of property, plant and equipment*	0.26	-
Profit on termination of right-of-use assets	-	0.46
Net gain on foreign currency transactions and translations	-	44.08
Profit on modification of lease	-	3.05
Liabilities written back	1.56	-
Other non-operating income	13.16	5.40
	30.67	77.45

* net of loss on disposal of property, plant and equipment amounting to ₹ 0.29 crore.


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021
NOTE 26: COST OF MATERIALS CONSUMED

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Raw material		
Balance at the beginning of the year	295.56	362.68
Add: purchases during the year	2,660.39	4,544.25
Balance at the end of the year	1.54	295.56
	2,954.41	4,611.37

NOTE 27: PURCHASES OF STOCK-IN-TRADE

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Purchases of stock-in-trade	13.60	20.51
	13.60	20.51

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

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance		
Work-in-progress	1,639.38	1,473.83
Finished goods	3,315.93	3,137.25
Stock-in-trade	7.97	14.35
	4,963.28	4,625.43
Closing balance		
Work-in-progress	1,951.57	1,639.38
Finished goods	3,832.28	3,315.93
Stock-in-trade	8.33	7.97
	5,792.18	4,963.28
	(828.90)	(337.85)

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	37.34	58.37
Contribution to provident and other funds	1.37	3.00
Share based payments to employees	0.82	7.84
Staff welfare expenses	1.02	2.36
	40.55	71.57

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

NOTE 30: FINANCE COSTS

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities at amortised cost#	348.70	314.71
Interest on late deposit of advance tax	13.63	14.88
Interest on lease liabilities	14.63	13.89
Other finance costs	16.72	25.40
	393.68	368.88

includes ₹ 16.94 crore (previous year ₹ 51.53 crore) as finance cost on gold on lease included in trade payables.

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	12.55	14.65
Amortisation of right-of-use assets	20.62	20.01
Amortisation of intangible assets	0.09	-
	33.26	34.66

NOTE 32: OTHER EXPENSES

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Advertisement and publicity	4.19	13.68
Labour charges	13.80	7.54
Hallmarking charges	0.25	0.86
Consumption of packing material	0.93	3.52
Rent (refer note 45)	3.38	6.26
Business promotion	0.36	1.96
Communication	1.21	2.87
Repairs and maintenance	3.79	4.43
Provision for impairment	4.26	6.81
Discount and commission	1.17	1.25
Electricity and water	5.47	7.33
Vehicle running and maintenance	0.08	0.84
Insurance	1.02	1.12
Legal and professional (including payment to auditors) (refer note (a) below)	3.69	6.17
Rates and taxes	0.36	0.68
Printing and stationery	0.22	0.54
Security expenses	5.35	5.70
Travelling and conveyance	0.88	1.23
Advances written off (net of provision for doubtful advance)	-	3.16
Loss on investments measured at FVTPL	-	0.11
Expected credit loss on trade receivables	-	40.45
Bad debts written off	-	0.35
Net loss on foreign currency transactions and translations	29.14	-
Bank charges	2.34	5.17
Donation	-	0.41


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Expenditure on corporate social responsibility activities (refer note 46)	6.50	-
Miscellaneous expenses	0.61	0.92
	89.00	123.36
(a) Payment to the auditors:		
- As auditors	0.15	0.62
- For other services (including limited reviews)	0.16	0.62
- For reimbursement of expenses	0.01	0.06
Total	0.32	1.30

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

	(₹ in crore)	
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax:		
Current tax on profits for the year	7.61	47.68
Adjustments for current tax of prior periods	(59.35)	-
	(51.74)	47.68
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(4.69)	(2.64)
Total tax expense	(56.43)	45.04

(b) Income-tax on other comprehensive income

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Re-measurement of defined benefit obligations	(0.20)	(0.29)
Total tax expense recognised in other comprehensive income	(0.20)	(0.29)

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

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before income-tax	4.41	123.54
Applicable Indian statutory income-tax rate	25.17%	25.17%
Computed expected tax expense	1.11	31.09
Prior period adjustments (refer note (a) below)	(59.35)	-
Effect of non-deductible expenses	1.81	3.60
Change due to adoption of new tax rate (refer note (b) below)	-	10.35
Income-tax expense reported in the statement of profit and loss	(56.43)	45.04

Note:

- (a) During the year the company has reversed outstanding provisions for income tax amounting to ₹ 38.48 crore and ₹ 20.87 crore for AY 18-19 and AY 19-20 respectively on the basis of Assessment orders received under section 143(1)(a) of the Income Tax Act, 1961. The management is of the view that no additional income tax liability shall be payable with respect to these assessment years.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(b) During the previous year ended 31 March 2020, the Company 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 had recognised provision for income-tax for the year ended 31 March 2020 basis the revised rates resulting in reduction in current tax expense. The Company had also re-measured its deferred tax asset on the basis of the reduced rate during the previous year ended 31 March 2020. For the current year ended 31 March 2021 also, the same option has been followed for the calculation of the tax expense.

NOTE 34: EARNINGS PER SHARE

	Units	Year ended 31 March 2021	Year ended 31 March 2020
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
Net profit attributable to shareholders for basic/diluted earnings per share	₹ in crore	60.84	78.50
Weighted average number of equity shares for basic earnings per share		405,641,605	394,876,826
Effect of exercise of share options		836,433	844,947
Weighted average number of equity shares for diluted earnings per share		406,478,038	395,721,773
Basic earnings per share	₹	1.50	1.99
Diluted earnings per share	₹	1.50	1.98

NOTE 35: EMPLOYEE BENEFITS

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Provision for gratuity	6.53	6.81
Provision for compensated absences	0.34	1.61
	6.87	8.42

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the amount recognised in the balance sheet for the defined benefit plan.

	(₹ in crore)	
	Gratuity benefits	
	As at 31 March 2021	As at 31 March 2020
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	6.81	7.08
Interest cost	0.44	0.50
Current service cost	0.87	1.02
Benefits paid	(0.81)	(0.65)
Actuarial (gains) on obligation	(0.78)	(1.14)
Closing defined benefit obligation	6.53	6.81
Expense recognised in the statement of profit and loss:		
Current service cost	0.87	1.02
Interest cost	0.44	0.50
	1.31	1.52
(Income) recognised in the other comprehensive income:		
Net actuarial (gain) in the year	(0.78)	(1.14)
	(0.78)	(1.14)


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(₹ in crore)

	Gratuity benefits	
	As at 31 March 2021	As at 31 March 2020
Net expense recognised in the total comprehensive income	0.53	0.38
Breakup of actuarial (gain)/loss		
Actuarial gain arising from change in demographic assumption	-	(0.08)
Actuarial (gain)/loss arising from change in financial assumption	0.18	(0.62)
Actuarial gain arising from experience adjustment	(0.96)	(0.44)
	(0.78)	(1.14)

Actuarial assumptions used

	As at 31 March 2021	As at 31 March 2020
Discount rate	5.40%	5.60%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life	26.57	27.47

Demographic assumptions used

	As at 31 March 2021	As at 31 March 2020
Mortality table	IALM(2012-14)	IALM(2012-14)
Retirement age	60 years	60 years
Average remaining life	26.57	27.47

These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability:

(₹ in crore)

	As at 31 March 2021		As at 31 March 2020	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
(Decrease)/ increase in the defined benefit liability	(0.16)	0.17	(0.17)	0.18
Salary growth rate				
Increase/ (decrease) in the defined benefit liability	0.16	(0.15)	0.17	(0.16)
Average life expectancy				
Increase/ (decrease) in the defined benefit liability	negligible	negligible	negligible	negligible

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

The present value of the defined benefit obligation is calculated as mentioned in note 3(v) of the financial statements. The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Based on historical data, the Company expects contributions of ₹ 0.99 crore (31 March 2020 : ₹ 1.77 crore) in the next 12 months.

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

	(₹ in crore)				
	2020-21	2019-20	2018-19	2017-18	2016-17
Defined benefit obligations	6.53	6.81	7.08	6.82	5.62
Experience gain/(loss) adjustments on planned liabilities	0.96	0.44	0.61	0.49	0.09

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

	As at 31 March 2021	As at 31 March 2020
Discount rate	5.40%	5.60%
Expected salary escalation rate	5.00%	5.00%

Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 1.03 crore (31 March 2020 : ₹ 2.17 crore). There are no amounts outstanding of post employment benefits, other long-term benefits and share based payment for the current and previous year.

NOTE 36: EMPLOYEE STOCK OPTION PLAN

PC Jeweller Limited Employee Stock Option Plan 2011

During the year ended 31 March 2012, the Company had formulated Employee Stock Option Scheme referred to as PC Jeweller Limited Employee Stock Option Plan 2011 (the 'Plan') for all eligible employees/directors of the Company and its subsidiaries.

The plan is implemented by the Nomination and Remuneration Committee constituted by the Company under the policy and framework laid down by the Company and/ or the Board of Directors of the Company, in accordance with the authority delegated to the Nomination and Remuneration Committee in this regard from time to time and subject to the amendments, modifications and alterations to the plan made by the Company and/or the Board of Directors in this regard. The issuance of the 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.


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(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 2021		31 March 2020	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
Balance at the beginning of the year	10.00	903,355	10.00	1,258,250
Options granted during the year	10.00	-	10.00	-
Options exercised during the year	10.00	71,014	10.00	354,895
Options lapsed/forfeited during the year	10.00	277,817	10.00	-
Balance at the end of the year	10.00	554,524	10.00	903,355
Vested and exercisable	10.00	554,524	10.00	731,820

(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 2021	Share options outstanding as on 31 March 2020
	31 March 2021	31 March 2020					
14 May 2015	2.12	3.12	13 May 2023	10.00	726,300	252,000	330,300
25 May 2017	4.16	5.16	24 May 2025	10.00	50,000	-	35,000
01 August 2017	4.34	5.34	31 July 2025	10.00	100,000	-	70,000
19 January 2018	4.81	5.81	18 January 2026	10.00	882,537	302,524	468,055
Total						554,524	903,355

(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

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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)**	Mr. Balram Garg (Promoter and Managing Director)
Other entities in which KMP has significant influence	Balram Garg, Hindu Undivided Family

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

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

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

Particulars	(₹ in crore)					
	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
(i) Transactions during the year						
Loan given						
PC Universal Private Limited	-	1.01	-	-	-	-
	-	1.01	-	-	-	-
Provision for expected credit loss						
Transforming Retail Private Limited	-	0.37	-	-	-	-
PC Universal Private Limited	-	0.01	-	-	-	-
	-	0.38	-	-	-	-
Provision for impairment of accrued interest on loan						
PC Universal Private Limited	4.26	6.81	-	-	-	-
	4.26	6.81	-	-	-	-


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(₹ 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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Loan repaid by						
PC Universal Private Limited	-	3.40	-	-	-	-
	-	3.40	-	-	-	-
Expenses incurred on behalf of						
Transforming Retail Private Limited	-.**	0.04	-	-	-	-
	-	0.04	-	-	-	-
Interest income on loan						
PC Universal Private Limited	4.64	4.66	-	-	-	-
Luxury Products Trendsetter Private Limited	2.40	2.39	-	-	-	-
	7.04	7.05	-	-	-	-
Sale of goods (net of sale return)						
Transforming Retail Private Limited	12.95	13.62	-	-	-	-
Luxury Products Trendsetter Private Limited	(6.60)	48.08	-	-	-	-
	6.35	61.70	-	-	-	-

(₹ 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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Purchase of goods and services						
Transforming Retail Private Limited	3.39	0.40	-	-	-	-
Luxury Products Trendsetter Private Limited	33.66	32.92	-	-	-	-
	37.05	33.32	-	-	-	-
Remuneration recovered						
Mr. Balram Garg	-	-	-	4.87	-	-
	-	-	-	4.87	-	-
Loan received						
Mr. Balram Garg	-	-	-	215.42	-	-
	-	-	-	215.42	-	-
Loan converted into equity						
Mr. Balram Garg	-	-	210.99	-	-	-

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

Particulars	(₹ in crore)					
	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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	-	-	210.99	-	-	-
Adjustment towards loan						
Mr. Balram Garg	-	-	0.06	-	-	-
	-	-	0.06	-	-	-
Labour income received						
PC Universal Private Limited	0.05	0.10	-	-	-	-
	0.05	0.10	-	-	-	-
Investment made						
PCJ Gems & Jewellery Limited	-	0.05	-	-	-	-
	-	0.05	-	-	-	-
Remuneration paid*						
Mr. Balram Garg	-	-	-	2.40	-	-
	-	-	-	2.40	-	-
Rent paid						
Mr. Balram Garg	-	-	0.02	0.04	-	-
	-	-	0.02	0.04	-	-

* 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.

** rounded off to nil

Particulars	(₹ in crore)					
	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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Balance outstanding at the year end						
Loans						
PC Universal Private Limited	81.08	81.08	-	-	-	-
Luxury Products Trendsetter Private Limited	41.97	41.97	-	-	-	-
	123.05	123.05	-	-	-	-
Interest accrued on loan (gross)						
PC Universal Private Limited	45.21	40.95	-	-	-	-
Luxury Products Trendsetter Private Limited	12.01	9.80	-	-	-	-
	57.22	50.75	-	-	-	-


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

Particulars	(₹ in crore)					
	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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Provision for impairment of loan to subsidiary						
PC Universal Private Limited	25.31	21.05	-	-	-	-
	25.31	21.05	-	-	-	-
Provision for expected credit loss						
Transforming Retail Private Limited	0.37	0.37	-	-	-	-
PC Universal Private Limited	0.01	0.01	-	-	-	-
	0.38	0.38	-	-	-	-
Trade receivables (gross)						
PC Universal Private Limited	0.58	0.54	-	-	-	-
Transforming Retail Private Limited	8.95	10.07	-	-	-	-
Luxury Products Trendsetter Private Limited	-	25.70	-	-	-	-
	9.53	36.31	-	-	-	-
Trade payable						
Luxury Products Trendsetter Private Limited	17.11	2.14	-	-	-	-
	17.11	2.14	-	-	-	-
Advance to supplier						
Luxury Products Trendsetter Private Limited	-	0.17	-	-	-	-
	-	0.17	-	-	-	-
Advance from customers						
Luxury Products Trendsetter Private Limited	-	0.02	-	-	-	-
	-	0.02	-	-	-	-
Investments						
Transforming Retail Private Limited	0.01	0.01	-	-	-	-
Luxury Products Trendsetter Private Limited	2.33	2.33	-	-	-	-
PC Jeweller Global DMCC	133.86	133.86	-	-	-	-
PC Universal Private Limited	0.05	0.05	-	-	-	-
PCJ Gems & Jewellery Limited	0.05	0.05	-	-	-	-
	136.30	136.30	-	-	-	-
Provision for impairment of investment in subsidiary						
PC Universal Private Limited	0.05	0.05	-	-	-	-
	0.05	0.05	-	-	-	-
Loan outstanding						
Mr. Balram Garg	-	-	4.37	215.42	-	-
	-	-	4.37	215.42	-	-
Rent paid recoverable						
Mr. Balram Garg	-	-	0.16	-	-	-
	-	-	0.16	-	-	-

During the year, the Company has paid short-term employee benefits amounting ₹ Nil (previous year ₹ 2.40 crore) included in Key management personnel's compensation. As the liability for gratuity and leave encashment are provided on actuarial basis for the Company

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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 2021

Particulars	(₹ in crore)					
	PCJ Gems & Jewellery Limited (Wholly owned Subsidiary)	PC Universal Private Limited (Wholly owned Subsidiary)	Luxury Products Trendsetter Private Limited (Wholly owned Subsidiary)	Transforming Retail Private Limited (Wholly owned Subsidiary)	PC Jeweller Global DMCC (Wholly owned Subsidiary)	Shivani Sarees Private Limited
Investments						
Investments at the beginning of the year	0.05	-	2.33	0.01	133.86	-
Additions during the financial year	-	-	-	-	-	-
Investments at the end of the financial year	0.05	-	2.33	0.01	133.86	-
Loans and advances						
Loans at the beginning of the year (including accrued interest)	-	122.03	51.78	-	-	9.03
Additions during the year	-	-	-	-	-	-
Interest income during the year	-	4.64	2.40	-	-	0.47
Repayment during the year	-	-	-	-	-	-
Interest paid during the year	-	0.38	0.20	-	-	0.03
Loans at the end of the year (including accrued interest)	-	126.29	53.98	-	-	9.47
Provision for impairment of loan to subsidiary	-	(25.31)	-	-	-	-
Maximum balance outstanding during the year	-	126.67	54.18	-	-	9.50
Rate of interest	NA	Refer note (ii)	Refer note (ii)	NA	NA	Refer note (iv)
Repayment terms	NA	Refer note (iii)	Refer note (iii)	NA	NA	Refer note (v)

Notes :

- (i) The Company has given loans to above entities for business purposes. All the loans given are unsecured loans.
- (ii) As per the agreement, the rate of interest for the loan is the prevailing 5 year government bond yield.
- (iii) The loan is to be repaid within 7 years from the date of the receipt of each tranche of loan.
- (iv) As per the agreement, the rate of interest for the loan is the prevailing 10 year government bond yield.
- (v) The loan is to be repaid in 10 installments commencing from 1 April 2024.


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021
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
Investments						
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	-
Loans and advances						
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)

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 prevailing 5 year government bond yield.
(iii) The loan is to be repaid within 7 years from the date of the receipt of each tranche of loan.
(iv) As per the agreement, the rate of interest for the loan is the prevailing 10 year government bond yield.
(v) The loan is to be repaid in 10 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

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

of gold due to volatility in gold prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Company designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. There is no ineffectiveness in the relationships designated by the Company for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

As at 31 March 2021

(₹ in crore)

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Impact of change in fair value relating to the hedged risk
	Assets	Liabilities	Assets	Liabilities				
Hedged item - inventory of gold	10.77	-	Not applicable	Not applicable	Range - within 6 months	1:1	Inventory	(0.88)
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	0.88	-	Range - within 6 months		Trade payables	0.88

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.

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 2021
Financial assets and liabilities measured at fair value - recurring fair value measurements

	(₹ in crore)			
	Level 1	Level 2	Level 3	Total
As at 31 March 2021				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	8.06	-	-	8.06
Derivative instruments				
Option to fix prices of gold in purchase contracts	0.88	-	-	0.88
Total financial assets	8.94	-	-	8.94
Financial liabilities				
Derivative instruments				
Forward contracts	-	3.22	-	3.22
Total financial liabilities	-	3.22	-	3.22
As at 31 March 2020				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	7.53	-	-	7.53
Total financial assets	7.53	-	-	7.53
Financial liabilities				
Derivative instruments				
Forward contracts	-	46.95	-	46.95
Total financial liabilities	-	46.95	-	46.95

(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

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
- mutual funds	8.06	-	7.53	-
Loans				
- to subsidiaries	-	154.96	-	152.75
- to body corporate	-	9.47	-	9.03
Trade receivables	-	1,305.33	-	1,780.55
Security deposits	-	26.00	-	24.31

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(₹ in crore)

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Cash and cash equivalents	-	54.51	-	14.71
Other receivables	-	0.02	-	0.02
Unclaimed dividend account	-	0.10	-	0.12
Bank deposits	-	122.08	-	213.10
Total	8.06	1,672.47	7.53	2,194.59
Financial liabilities				
Borrowings	-	2,295.15	-	2,303.05
Trade payables*	-	920.23	-	1,081.05
Lease liabilities	-	119.97	-	131.63
Derivative financial liability	3.22	-	46.95	-
Other financial liabilities	-	51.59	-	43.22
Total	3.22	3,386.94	46.95	3,558.95

*Trade payables for 31 March 2021 included the value of the option to fix prices on gold purchases (embedded derivative) that is carried at FVTPL. The value of such embedded derivative which was financial asset of ₹ 0.88 crore as at 31 March 2021 was reduced from value of trade payables (as discussed further below).

- The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.
- The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following table presents the option to fix prices on gold purchases that are added to/offset with trade payables, as at 31 March 2021 and 31 March 2020:

(₹ in crore)

Particulars	Amount of trade payables	Gross amounts set off/added to the balance sheet	Amounts presented in the balance sheet
31 March 2021	921.11	(0.88)	920.23
31 March 2020	1,081.05	-	1,081.05

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


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

Risk	Exposure arising from	Measurement	Management
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 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 2021	As at 31 March 2020
Not due	84.13	543.35
0-30 days past due	57.17	60.63
31-60 days past due	0.62	24.76
61-90 days past due	-	17.96
More than 90 days past due	1,225.97	1,196.41
Expected credit loss (loss allowance provision)	(62.56)	(62.56)
	1,305.33*	1,780.55

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Loan to subsidiaries	180.27	173.80
Expected credit loss (loss allowance provision)	(25.31)	(21.05)
	154.96	152.75

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

	(₹ in crore)	
	Trade receivables	Other financial assets
Loss allowance on 1 April 2019	22.11	14.24
Loss allowance created during the year	40.45	6.81
Loss allowance as on 31 March 2020	62.56	21.05
Loss allowance on 1 April 2020	62.56	21.05
Loss allowance created during the year	-	4.26
Loss allowance as on 31 March 2021	62.56	25.31

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.

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

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Concentration of trade receivables*		
Export wholesale customers	1,277.49	1,701.79
Domestic wholesale customers	13.00	41.24
Franchise stores	14.54	37.12
Others	0.30	0.40
	1,305.33	1,780.55

*Net of expected credit loss amounting to ₹ 62.56 crore (31 March 2020 : ₹ 62.56 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.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

Financing arrangements

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

	As at 31 March 2021	As at 31 March 2020
Expiring within one year (bank overdraft and other facilities)	-	53.14
	-	53.14

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.

31 March 2021	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
Borrowings (including interest)	2,293.82	1.05	0.22	0.11	0.02	2,295.22
Trade payables		920.23				920.23
Other financial liabilities	0.10	51.51				51.61
Lease liabilities (including interest)	-	32.12	30.54	27.29	73.75	163.70
Total	2,293.92	1,004.91	30.76	27.40	73.77	3,430.76

31 March 2020	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
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 Liability	-	31.13	29.91	29.51	97.57	188.12
Total	2,282.52	1,175.85	30.27	29.75	97.70	3,616.09

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 ₹ 39.15 crore (previous year ₹ 1.34 crore).

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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 2021, 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:

	(₹ in crore)	
	31 March 2021	31 March 2020
Variable rate borrowing	2,289.45	2,066.98
Fixed rate borrowing	4.79	227.41
Total borrowings	2,294.24	2,294.39

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 ₹ 8.57 crore (previous year ₹ 7.73 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 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 ₹ 0.30 crore (previous year ₹ 0.28 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 be no impact of the fluctuation in the price of the gold on the Company's profit for the period.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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 2021	31 March 2020
Non-current borrowings (refer note 17)	0.32	0.66
Current borrowings (refer note 19)	2,293.82	2,282.40
Other financial liability (refer note 21)	1.01	20.00
Less: Cash and cash equivalents (refer note 13)	(54.51)	(14.71)
Net debts	2,240.64	2,288.35
Equity share capital (refer note 15)	465.40	395.00
Other equity (refer note 16)	3,809.94	3,607.03
Total capital	4,275.34	4,002.03
Gearing ratio	52.41%	57.18%

Note 43: Micro, Small and Medium Enterprises

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 as at the balance sheet date is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

	(₹ in crore)	
	31 March 2021	31 March 2020
(a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
Principal amount due to micro and small enterprises	0.31	1.36
Interest due on above	0.21	0.13
(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.	0.21	0.13
(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.	0.21	0.13

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

NOTE 44: CONTINGENT LIABILITY

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
a) Claims against the Company not acknowledged as debts*#	1.01	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	8.24

*Excluding interest, if any, which is not ascertainable

#Company has furnished bank guarantees amounting to ₹ 0.46 crore for ongoing litigations

NOTE 45: LEASES

The Company's lease asset primarily consist of leases for buildings for showrooms and offices having various lease terms.

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

Particulars	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Current	29.54	29.85
Non-current	90.43	101.78
Total	119.97	131.63

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 substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Company has considered automatic extension option available for the property leases in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period as the Company is likely to be benefited by exercising the extension option.

ii) The recognised right-of-use assets relate to retail outlets and other marketing offices as at 31 March 2021.

Particulars	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Right-of-use assets- retail outlets and other marketing offices		
Balance as at 1 April 2020	105.91	118.28
Add: Additions on account of new leases entered during the year	7.37	38.52
Less: Termination/ modifications	(0.25)	30.88
Less: Amortisation expense charged on the right-of-use assets	20.62	20.01
Balance as at 31 March 2021	92.91	105.91


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

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

Particulars	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Amortisation expense of right-of-use assets	20.62	20.01
Interest expense on lease liabilities	14.63	13.89
Rent expense	3.38	6.26
Total	38.63	40.16

iv) Lease payments not recognised as a liability

Particulars	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Expenses relating to short term leases (included in other expenses)	3.09	5.80
Expenses relating to variable lease payments not included in lease payments	0.29	0.46
Total	3.38	6.26

v) At 31 March 2021, the Company was committed to short-term leases and the total commitment at that date was ₹ 1.08 crore.

vi) Total cash outflow for leases for the year ended 31 March 2021 was ₹ 23.29 crore.

vii) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)
Retail outlets and other marketing offices	69	1-9	4.45

The company has a right to extend/terminate its leasing arrangements beyond the initial agreement/lock in period. For the assessment of lease term as per Ind AS 116, the management of the Company has considered the extension options and not considered the early termination options wherever available for its property leases in its lease period assessment since the Company is likely to be benefited from a longer lease tenure.

viii) During the year ended 31 March 2021, the Company has renegotiated with certain landlords on rent reduction/waiver due to Covid-19 pandemic. The management believes that such reduction/waiver in rent is short term in nature and meets the conditions in accordance with the notification dated July 24, 2020 issued by the Central Government in consultation with National Financial Reporting Authority as per Companies (Indian Accounting Standards) Amendment Rules, 2020 effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification. Accordingly, the company has recognized ₹ 9.45 crores in the Statement of Profit and Loss as "Other income" during the year ended 31 March 2021.

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.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

- a) Gross amount required to be spent by the Company during the year is ₹ 6.37 crore (31 March 2020 : ₹ 8.72 crore)
b) Amount spent during the year on CSR (excluding 5% administrative expenses)

(₹ in crore)

S.No	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	6.50	-	6.50

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:

(₹ in crore)

Particulars	Long term borrowings	Short term borrowings	Equity share capital	Lease liabilities	Total
Net debt as at 01 April 2019	29.86	2,090.65	394.65	-	2,515.16
Proceeds from allotment of employee stock options	-	-	0.21	-	0.21
Allotment of employee stock options due to corporate action	-	-	0.14	-	0.14
Creation of lease liability under Ind AS 116	-	-	-	148.21	148.21
New leases	-	-	-	36.82	36.82
Termination/Modification of leases	-	-	-	(34.75)	(34.75)
Repayment of non-current borrowings (net)	(17.86)	-	-	-	(17.86)
Payment of lease liabilities	-	-	-	(32.54)	(32.54)
Payment of interest on lease liability	-	-	-	13.89	13.89
Proceeds of current borrowings (net)	-	191.75	-	-	191.75
Net debt as at 31 March 2020	12.00	2,282.40	395.00	131.63	2,821.03
Proceeds from allotment of employee stock options	-	-	0.07	-	0.07
Allotment of employee stock options due to corporate action	-	-	-	-	-
Creation of lease liability under Ind AS 116	-	-	-	-	-
New leases	-	-	-	6.55	6.55
Termination/Modification of leases	-	-	-	(9.55)	(9.55)
Repayment of non-current borrowings (net)	(11.58)	-	-	-	(11.58)
Payment of lease liabilities	-	-	-	(23.29)	(23.29)
Payment of interest on lease liability	-	-	-	14.63	14.63
Proceeds of current borrowings (net)	-	222.47	-	-	222.47
Loan repaid	-	(0.06)	-	-	(0.06)
Prefential allotment of Equity Shares	-	(210.99)	70.33	-	(140.66)
Net debt as at 31 March 2021	0.42	2,293.82	465.40	119.97	2,879.61

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:



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

- (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 Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography.

	(₹ in crore)	
Revenue from operations	Year ended 31 March 2021	Year ended 31 March 2020
Revenue by geography		
Export	113.18	657.97
Domestic	2,556.16	4,280.62
Total	2,669.34	4,938.59

(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 2021	Year ended 31 March 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	57.36	1.74
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 2021	Year ended 31 March 2020
	Current	Current
Contract liabilities related to sale of goods		
Advance from customers	47.75	57.36

(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

	(₹ in crore)	
Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	2,673.84	4,941.75
Less: Discount, rebates, credits etc.	4.50	3.16
Revenue from operations as per Statement of Profit and Loss	2,669.34	4,938.59

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

(e) Significant changes in contract assets and liabilities

Description	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
	Advance from customers	Advance from customers
Opening Balance	57.36	6.15
Add: Addition during the year (net)	47.75	52.95
Less: Revenue recognised during the year from opening liability	57.36	1.74
Closing balance	47.75	57.36

Note 50: Impact of COVID-19 crisis

The retail industry as a whole has been adversely impacted due to COVID-19 and consequent lockdown resulting out of it. The Company has faced significant headwinds due to COVID-19 impacting the operations of the Company owing to store closures and complete lockdown. The Company's performance for the year ended 31 March 2021 has been impacted due to this unprecedented disruption. Any impact in future will largely depend on factors such as overall improvement in Covid situation, customer confidence, etc. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventory, receivable and other current assets. The management of the Company has exercised due care in concluding significant accounting judgements and estimates in preparation of financial statements. Based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered. However, given the continuing uncertainty on account of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial statements.

Note 51: Discount to export customers

During the financial year ended 31 March 2019, the Company had provided discounts to its export customers aggregating to ₹ 513.65 crore and had submitted the requisite applications for approval from the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management Act, 1999. Subsequently, the Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 315.21 crore. However, for the remaining discounts of ₹ 198.44 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 2021, inter alia, include outstanding from export customers aggregating to ₹ 1109.40 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 ₹ 136.30 crore) (excluding impairment) in its five wholly-owned subsidiary companies viz PC Universal Private Limited, Luxury Products Trendsetter Private Limited, Transforming Retail Private Limited, PC Jeweller Global DMCC and PCJ Gems & Jewellery Limited as at 31 March 2021. The Company has also given non current loans amounting to ₹ 123.05 crore (previous year ₹ 123.05 crore) to two of its subsidiaries, PC Universal Private Limited and Luxury Products Trendsetter Private Limited and has interest receivable from them amounting to ₹57.22 crore (previous year ₹ 50.75 crore)(excluding impairment) which is



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

classified under current financial assets. Further, the Company has trade receivables amounting to ₹ 9.53 crore (previous year ₹ 36.31 crore) (excluding provision for expected credit loss) recoverable from PC Universal Private Limited, Luxury Products Trendsetter Private Limited and Transforming Retail Private Limited.

Owing to the current operations and net worth of these subsidiaries, the management has carried out the impairment assessment as at 31 March 2021 using the 'Discounted Cash Flow valuation model' on the total exposure in its subsidiaries in the form of investments and receivables (loan, interest accrued and trade receivables). The Company as at 31 March 2020 had 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. Basis the assessment this year the Company has recognised an additional provision for impairment of ₹4.26 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

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

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

For and on behalf of the Board of Directors

For Arun K Agarwal & Associates

Chartered Accountants

Firm's Registration No.: 003917N

Sd/-

Ramesh Kumar Sharma

Executive Director & Chief Operating Officer

DIN-01980542

Sd/-

Balram Garg

Managing Director

DIN-00032083

Sd/-

Arun Kumar Agarwal

Partner

Membership No. 082899

Sd/-

Vijay Panwar

Company Secretary

Membership No. A19063

Sd/-

Sanjeev Bhatia

Chief Financial Officer

Place: New Delhi

Date: 27 May 2021

PC JEWELLER LIMITED

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, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs.in crores except earnings per share)

SI No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	2,669.34 / 2,700.01	2,669.34 / 2,700.01
2.	Total Expenditure	2,695.60	2,695.60
3.	Net Profit/(Loss)	4.41	4.41
4.	Earnings Per Share	1.50	1.50
5.	Total Assets	7,863.90	7,863.90
6.	Total Liabilities	3,588.56	3,588.56
7.	Net Worth	4,275.34	4,275.34
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 financial year ended 31 March 2019 had provided discounts of ₹ 513.65 crore to its export customers which had been adjusted against the revenues for the said year. The Company had initiated the process of complying with the requirements of the Master Circular on Exports of Goods and Services issued by the Reserve Bank of India and had filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. Subsequently, the Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 315.21 crore. For the remaining discounts of ₹ 198.44 crore, in the absence of requisite approvals and material evidence related to such transactions, we are unable to comment on the impact, if any, of the same on the accompanying Statement. Auditor's Opinion for the year ended 31 March 2019 and 31 March 2020 and our conclusion for the quarter ended 30 June 2020, 30 September 2020 and 31 December 2020 were also modified 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.14/2015-16 under the Foreign Exchange Management Act, 1999 and the management does not expect any material penalty to be levied and therefore, no provision for the same has been recognized in these financial results.

(iii) **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: 27 May 2021



**CONSOLIDATED
FINANCIAL
STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PC JEWELLER LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of PC Jeweller Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), as listed in "Annexure A", which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2021 and their consolidated profit (including other comprehensive income), the consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As explained in Note 50(a) to the accompanying consolidated financial statements, the Holding Company during the financial year ended 31 March 2019 had provided discounts of ₹ 513.65 crore to its export customers which had been adjusted against the revenues for the said year. The Holding Company had initiated the process of complying with the requirements of the Master Circular on Exports of Goods and Services issued by the Reserve Bank of India and had filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. Subsequently,

the Holding Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 315.21 crore. For the remaining discounts of ₹ 198.44 crore, in the absence of requisite approvals and material evidence related to such transactions, we are unable to comment on the impact, if any, of the same on the accompanying consolidated financial statements. Auditor's opinion for the year ended 31 March 2019 and 31 March 2020 were also modified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. We draw attention to Note 51 to the accompanying consolidated financial statements regarding the delays in receipt of proceeds denominated in foreign currency against export of goods made by the Holding Company to its overseas customers aggregating to ₹ 1109.40 crore outstanding as on 31 March 2021, beyond the timelines stipulated under the Foreign Exchange Management Act, 1999. The management of the Holding Company has filed the necessary applications with the appropriate authority for condonation of such delays to regularize the default. Pending condonation of such delay by the appropriate authority, management is of the view that the possible penalties that may be levied, are currently unascertainable but would not be material and accordingly, no consequential adjustments have been made to the accompanying consolidated financial statements with respect to such delay/default.
6. We draw attention to Note 49 to the accompanying consolidated financial statements, which describes the uncertainties and management's assessment of the impact of the COVID 19 pandemic on Group's operations and



financial results. In view of the uncertainties in the economic environment due to the outbreak of COVID-19 pandemic, the impact on the financial position and performance of the Group is significantly dependent on the future developments as they evolve.

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 3 subsidiaries i.e. PC Universal Limited, Transforming Retail Private Limited and Luxury Products Trendsetter Private Limited, for the year ended 31 March 2021.

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Existence and valuation of inventory</p> <p>The Group has an inventory balance of ₹5,944.29 crore as at 31 March 2021, as disclosed in Note 10 of the accompanying consolidated financial statements. Refer Note 3(l) for the corresponding accounting policy adopted by the management with respect to the inventory balance.</p> <p>The Holding Company purchases gold from nominated agencies prescribed by Reserve Bank of India. Further, the Holding Company also purchases gold and diamonds from institutional parties and from the customers as per the exchange schemes announced by the Holding Company.</p> <p>With respect to existence of inventory as at year end, there is an inherent risk of loss from theft or possible malafide intent, due to the high intrinsic value and portable nature of individual inventory items.</p> <p>In addition to the physical verification performed by the management with the help of an independent professional gemologist, the lenders of the Holding Company also conduct stock counts with the help of their appointed independent gemologists.</p> <p>With respect to valuation of the inventory, the Holding Company categorizes diamonds purchased into the respective cost categories defined by the management based on price bands and other physical characteristics of the diamonds.</p> <p>Considering the complexities involved, portable nature of diamonds, high inherent risk and high level of estimation uncertainty involved in valuation of the inventory, the existence and valuation of inventory has been determined as key audit matter for the current year audit.</p>	<p>Our audit work in relation to the existence and valuation of inventory included, but was not limited to, performing the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for physical verification, recognition and measurement of purchase cost of gold, diamonds and manufactured jewellery items. • 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. • Assessed the appropriateness of accounting policy and management valuation methodology adopted by the management. • 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. • Obtained the physical verification records performed by the management as at the year end. • Inspected reports of physical verification done by gemologists appointed by the lenders of the Holding Company for corroborative evidence. • Performed independent test counts for certain locations subsequent to year-end and other safeguarding procedures, and performed roll-back procedures, to corroborate management counts and valuation based on management categorization, with the help of an independent professional gemologist. • On a sample basis, tested samples of inventory sold near year-end to corroborate management's assessment of net realizable value of closing inventory balance. • Obtained valuation report from independent Gemologist to corroborate management's assessment of net realizable value of closing inventory balance of Diamonds. • Evaluated disclosures made in the accompanying consolidated financial statements for appropriateness and adequacy in accordance with the requirements of the accounting standards.

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

9. The Holding company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Report on Corporate Governance, Director's Report including annexures to Director's 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations. 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 financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information

considered necessary for the preparation of consolidated financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
12. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error,



design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

18. We did not audit the annual financial statements of six subsidiaries included in the Consolidated Financial Statements, whose financial information reflects total assets of ₹308.49 crore as at 31 March 2021, total revenues of ₹197.92 crore (before consolidation adjustments), total net profit of ₹1.20 crore, total comprehensive loss of ₹6.96 crore, and cash outflows (net) of ₹10.08 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

19. The consolidated financial statements of the Group for the year ended 31 March 2020 were audited by the previous auditors who have expressed a modified opinion vide their report dated 29 June 2020 on such consolidated financial statements.

Report on Other Legal and Regulatory Requirements

20. 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 remuneration paid by the Holding Company to its directors during the year is within the limit prescribed under Schedule V of the Companies Act, 2013. However, on account of bank defaults in payment of dues during the year, requisite approvals required from the bankers and shareholders as per Schedule V of the Act in this regard are yet to be obtained. 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.

21. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

- (a) we have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in paragraph 3 of the Basis for Qualified Opinion section with respect to the financial statements of the Holding Company;
- (c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- (e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;

- (f) the qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section with respect to the Holding Company;
- (g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as at 31 March 2021- Refer Note 44 of the Consolidated Financial Statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended 31 March 2021.

For Arun K Agarwal & Associates

Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-

Arun Kumar Agarwal

(Partner)

M. No. 082899

UDIN: 21082899AAAADP1016

Place: New Delhi

Date: 27.05.2021



Annexure A to Independent Auditors' Report

List of subsidiaries included in the consolidated financial statements

1. PC Universal Private Limited;
2. Transforming Retail Private Limited;
3. Luxury Products Trendsetter Private Limited;
4. PC Jeweller Global DMCC;
5. Comercializadora Internacional PC Jeweller International S.A.S; and
6. PCJ Gems & Jewellery Limited.

Annexure B to Independent Auditors' Report

Referred to Para 21(g) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of PC JEWELLER LIMITED ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as of 31 March 2021 in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, for the year ended on that date.

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

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable

financial information, as required under the Act.

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

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

We did not audit the internal financial controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 146.05 crore as at 31 March 2021, total revenues of ₹ 103.48 crore (before consolidation adjustments), total net loss of ₹2.31 crore, total comprehensive loss of ₹2.17 crore and net cash outflows amounting to ₹ 9.15 crore for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies, have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, is based solely on the reports of the auditors of such companies.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For Arun K Agarwal & Associates

Chartered Accountants
(Firm's Registration No. 003917N)

Sd/-

Arun Kumar Agarwal

(Partner)
M. No. 082899
UDIN: 21082899AAAADP1016

Place: New Delhi

Date: 27.05.2021



CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

		(₹ in crore)		
		Notes	As at 31 March 2021	As at 31 March 2020
A	Assets			
1	Non-current assets			
	a) Property, plant and equipment	4	44.46	58.99
	b) Right-of-use assets		92.95	108.58
	c) Other intangible assets	5	1.00	1.03
	d) Intangible assets under development		0.86	0.75
	e) Financial assets			
	i) Investments		6.31	-
	ii) Loans	6	30.12	27.34
	iii) Other financial assets	7	2.43	1.02
	f) Deferred tax assets (net)	8	61.63	59.43
	g) Other non-current assets	9	9.74	14.96
	Total non-current assets		249.50	272.10
2	Current assets			
	a) Inventories	10	5,944.29	5,413.74
	b) Financial assets			
	i) Investments	11	8.32	7.53
	ii) Trade receivables	12	1,428.93	1,880.62
	iii) Cash and cash equivalents	13	57.77	28.05
	iv) Bank balance other than (iii) above	14	119.80	212.20
	v) Loans	6	19.36	6.65
	vi) Other financial assets	7	0.02	0.02
	c) Other current assets	9	69.74	76.36
	Total current assets		7,648.23	7,625.17
	Total assets		7,897.73	7,897.27
B	Equity and Liabilities			
1	Equity			
	a) Equity share capital	15	465.40	395.00
	b) Other equity	16	3,803.91	3,608.02
	Total equity		4,269.31	4,003.02
	Liabilities			
2	Non-current liabilities			
	a) Financial liabilities			
	i) Borrowings	17	0.32	0.66
	ii) Lease liabilities		90.46	103.60
	b) Provisions	18	4.70	44.29
	Total non-current liabilities		95.48	148.55
3	Current liabilities			
	a) Financial liabilities			
	i) Borrowings	19	2,293.85	2,282.43

PC JEWELLER LIMITED

			(₹ in crore)	
		Notes	As at 31 March 2021	As at 31 March 2020
	ii) Trade payables	20		
	- Total outstanding dues of micro enterprises and small enterprises; and		0.52	1.49
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		936.83	1,088.57
	iii) Lease liabilities		29.55	31.07
	iv) Other financial liabilities [other than those specified in item (c)]	21	77.79	111.42
	b) Other current liabilities	22	64.29	101.75
	c) Provisions	18	2.26	2.84
	d) Current tax liabilities (net)	23	127.85	126.13
	Total current liabilities		3,532.94	3,745.70
	Total liabilities		3,628.42	3,894.25
	Total equity and liabilities		7,897.73	7,897.27

Notes 1 to 55 form an integral part of these consolidated financial statements.

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

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

Sd/-
Arun Kumar Agarwal
Partner
Membership No. 082899

Place: New Delhi
Date: 27 May 2021

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 2021

(₹ in crore)

	Notes	As at 31 March 2021	As at 31 March 2020
1 Revenue from operations	24	2,826.34	5,206.77
2 Other income	25	24.08	80.42
3 Total income (1+2)		2,850.42	5,287.19
4 Expenses			
a) Cost of materials consumed	26	3,132.32	4,932.07
b) Purchases of stock-in-trade	27	29.69	34.17
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(887.94)	(414.18)
d) Employee benefits expense	29	43.52	78.24
e) Finance costs	30	393.82	369.22
f) Depreciation and amortisation expenses	31	34.93	37.36
g) Other expenses	32	96.27	124.99
Total expenses		2,842.61	5,161.87
5 Profit before tax (3-4)		7.81	125.32
6 Tax expense			
a) Current tax	33	(51.74)	47.68
b) Deferred tax	8	(2.45)	(5.40)
Total tax expense		(54.19)	42.28
7 Profit for the year (5-6)		62.00	83.04
8 Other comprehensive income:			
(A) (i) Items that will not be reclassified to profit or loss:			
- Foreign currency translation		(7.33)	1.16
(ii) Income-tax relating to items that will not be reclassified to profit or loss		(0.24)	(0.30)
(B) (i) Items that will be reclassified to profit or loss:			
- Foreign currency translation		-	12.59
(ii) Income-tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive (loss)/income for the year, net of tax		(7.57)	13.45
9 Total comprehensive income for the year (7+8)		54.43	96.49
Profit attributable to:			
Owners of the Parent Company		62.00	83.04
Non-controlling interests		-	-
Other comprehensive (loss)/income attributable to:			
Owners of the Parent Company		(7.57)	13.45
Non-controlling interests		-	-
		54.43	96.49
10 Earnings per equity share: (face value of ₹ 10 per share)	34		
Basic earnings per share (in ₹)		1.53	2.10
Diluted earnings per share (in ₹)		1.53	2.10

Notes 1 to 55 form an integral part of these consolidated financial statements.

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

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

Sd/-
Arun Kumar Agarwal
Partner
Membership No. 082899

Place: New Delhi
Date: 27 May 2021

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 2021

A Equity share capital:

(₹ in crore)

Particulars	Note	No. of shares	Amount
Issued, subscribed and fully paid up Equity shares of ₹ 10 each			
Balance as at 1 April 2019	15	394,647,987	394.65
Changes in equity share capital during the year		354,895.00	0.35
Balance as at 31 March 2020	15	395,002,882	395.00
Changes in equity share capital during the year			
Issue of employee stock options		71,014.00	0.07
Issue on preferential allotment		70,330,000.00	70.33
Balance as at 31 March 2021	15	465,403,896.00	465.40

B Other equity:

(₹ in crore)

Particulars	Reserves and surplus					Total
	Securities premium	General reserve	Share options outstanding account	Foreign currency translation reserve	Retained earnings	
Balance as at 1 April 2019	911.45	54.54	42.41	(3.14)	2,520.75	3,526.01
Profit for the year	-	-	-	-	83.04	83.04
Other comprehensive income/(loss) for the year (net of income tax)	-	-	-	12.59	0.86	13.45
Total comprehensive income for the year	-	-	-	12.59	83.90	96.49
Share option expense for the year	-	-	8.82	-	-	8.82
Ind-AS 116 transition adjustments (net of adjustment of deferred tax)	-	-	-	-	(23.16)	(23.16)
Transactions with owners in their capacity as owners:						
Issue of bonus shares	(0.14)	-	-	-	-	(0.14)
Issue of equity shares	14.67	-	(14.67)	-	-	-
Balance as at 31 March 2020	925.98	54.54	36.56	9.45	2,581.49	3,608.02
Profit for the year	-	-	-	-	62.00	62.00
Other comprehensive income for the year (net of income tax)	-	-	-	(8.29)	0.72	(7.57)
Total comprehensive income for the year	-	-	-	(8.29)	62.72	54.43
Share option expense for the year	-	-	0.82	-	-	0.82
Share option expense reversal*	-	13.79	(13.79)	-	-	-
Transactions with owners in their capacity as owners:						
Issue of equity shares	142.97	-	(2.33)	-	-	140.64
Balance as at 31 March 2021	1,068.95	68.33	21.26	1.16	2,644.21	3,803.91

* The Parent Company has transferred an amount of ₹ 13.79 crores from Share Option Outstanding Account to General Reserve on account of 2,77,817 share options lapsed/forfeited in accordance with the ESOP plan 2011.

Notes 1 to 55 form an integral part of these consolidated financial statements.

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

For Arun K Agarwal & Associates

Chartered Accountants
Firm's Registration No.: 003917N

Sd/-

Arun Kumar Agarwal

Partner
Membership No. 082899

Place: New Delhi

Date: 27 May 2021

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 CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

Particulars	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
A Cash flow from operating activities:		
Profit before tax	7.81	125.32
Adjustments for:		
Depreciation and amortisation expenses	34.89	37.36
Share based payments to employees	0.82	8.81
Interest income on fixed deposit	(5.71)	(13.53)
Interest income on loans given to body corporate	(0.29)	(0.51)
Net profit/(loss) on disposal of property, plant and equipment	0.01	(0.46)
Income from investments	(0.04)	(0.03)
Finance costs	380.19	354.34
Unwinding of discount on security deposits	(0.76)	(1.00)
Profit on modification of lease	-	(3.05)
(Profit)/loss on Foreign Currency Translation	(8.30)	12.04
Unrealised gain on foreign exchange	(51.27)	(49.22)
Actuarial loss forming part of other comprehensive income	0.97	1.16
Adjustment due to fair valuation of gold loan at unfixed prices	36.76	(16.12)
Fair valuation adjustment of forwards contracts	1.06	0.02
Gain on rent reduction/waiver due to Covid-19	(9.45)	-
Advances written off (net of provision for doubtful advance)	-	3.16
Provision for impairment of loan to subsidiary	4.26	-
Provision for expected credit loss for trade receivables	0.15	41.29
Bad debts written off	-	0.35
Operating profit before working capital changes	391.10	499.93
Adjustments for:		
Increase in inventories	(530.54)	(401.36)
Decrease in financial assets	181.86	203.67
Decrease in non-financial assets	11.62	13.97
Decrease in trade receivables	589.60	179.53
Decrease in trade payables	(241.11)	(168.30)
Decrease in financial liabilities	(36.79)	(15.13)
Decrease in non-financial liabilities	(225.28)	(227.99)
Decrease in provisions	(40.17)	(0.33)
Cash generated from operating activities	100.29	83.99
Direct taxes paid	14.55	(8.47)
Net cash generated from operating activities	114.84	75.52
B Cash flow from investing activities:		
Purchase of property, plant and equipment including capital advances	(0.69)	(2.11)
Proceeds from disposal of property, plant and equipment	0.30	0.18
(Purchase)/redemption of current investments, net	(0.75)	0.89
Loans given to body corporate	(3.00)	-
Interest received	8.58	14.67
Redemption of fixed deposits, net	89.88	24.01
Net cash generated from investing activities	94.32	37.64

PC JEWELLER LIMITED

Particulars	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
C Cash flow from financing activities:		
Repayment of long term loans	(11.58)	(17.86)
Proceeds from allotment of employee stock options	0.07	0.21
Proceeds from short term borrowings, net	222.47	191.76
Payment of lease liabilities	(23.70)	(33.62)
Interest paid	(366.69)	(310.95)
Net cash used in financing activities	(179.43)	(170.46)
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	29.72	(57.30)
E Cash and cash equivalents as at the beginning of the year	28.05	85.35
F Cash and cash equivalents as at the end of the year (refer note 13)	57.77	28.05
Components of cash and cash equivalents:		
Balances with banks - in current accounts	23.02	15.32
Cheques on hand	0.15	0.53
Cash on hand	27.38	10.23
Deposits with original maturity of less than 3 months	7.22	1.97
	57.77	28.05

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 55 form an integral part of these consolidated financial statements.

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

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

Sd/-
Arun Kumar Agarwal
Partner
Membership No. 082899

Place: New Delhi
Date: 27 May 2021

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 2021

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 2021 were authorised and approved for issue by the Board of Directors on 27 May 2021. 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 2021.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

- Share based payments which are measured at fair value of the options at the grant date.

The consolidated financial statements of the Group are presented in Indian Rupees (₹), which is also its financial currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements of schedule III to the Act, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding-off have been so stated by way of a note.

b) Principles of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 March 2021. All subsidiaries have a reporting date of 31 March 2021.

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.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Measurement at the balance sheet date

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

Treatment of exchange difference

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

Translation of foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Indian Rupees (₹) are translated into Indian Rupees (₹) upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Indian Rupees (₹) at the closing rate at the reporting date. Income and expenses have been translated into Indian Rupees (₹) at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

e) Revenue recognition

Sale of goods

Revenue from the contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Sales, as disclosed, are net of trade allowances, rebates, 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

f) **Property, plant and equipment**

Recognition and initial measurement

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

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

Subsequent measurement (depreciation and useful lives)

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

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

Asset category	Estimated useful life (in years)
Trademarks	10
Software	10

Derecognition

An item of intangible asset and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. However, this is the initial year for the company to recognise an intangible asset and no part of the asset has been derecognised or impaired by the company during the year.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

h) Leases

Group as a lessee

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

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest

rate implicit in the lease or, if not readily determinable, 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 2021

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



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

Other derivatives

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

Offsetting of financial instruments

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

k) Impairment of financial assets

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

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



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Short-term employee benefits

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

q) **Share based payments**

Employee stock option plan

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

r) **Operating expenses**

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

s) **Borrowing costs**

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

t) **Fair value measurement**

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

Fair value is the price that would be received 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

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 TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
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
Gross block									
As at 1 April 2019	10.75	10.52	70.30	8.26	24.61	5.92	7.22	7.38	144.96
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
As at 31 March 2020	10.75	12.12	70.46	8.38	24.33	5.99	7.17	6.89	146.09
Additions	-	-	-	0.15	0.23	0.13	0.02	0.08	0.61
Disposals	-	-	(3.74)	(0.07)	(0.80)	(0.09)	(0.50)	(0.76)	(5.96)
Foreign currency translation	-	(0.21)	-	(0.01)	.*	0.01	.*	-	(0.21)
As at 31 March 2021	10.75	11.91	66.72	8.45	23.76	6.04	6.69	6.21	140.53
Accumulated depreciation									
As at 1 April 2019	-	1.63	34.56	3.33	19.76	4.37	4.07	4.13	71.85
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
As at 31 March 2020	-	2.37	44.08	4.09	22.05	4.99	4.92	4.60	87.10
Charge for the year	-	0.68	8.88	0.75	1.70	0.38	0.64	0.72	13.75
Reversal/adjustment on disposals	-	-	(2.75)	(0.06)	(0.71)	(0.08)	(0.42)	(0.72)	(4.74)
Foreign currency translation	-	(0.04)	-	.*	.*	.*	.*	-	(0.04)
As at 31 March 2021	-	3.01	50.21	4.78	23.04	5.29	5.14	4.60	96.07
Net block:									
As at 31 March 2021	10.75	8.90	16.51	3.67	0.72	0.75	1.55	1.61	44.46
As at 31 March 2020	10.75	9.75	26.38	4.29	2.28	1.00	2.25	2.29	58.99

* 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 2021 was Nil (31 March 2020: Nil).

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5: OTHER INTANGIBLE ASSETS:

	(₹ in crore)		
	Trademark	Computer software	Total
Gross Block:			
As at 01 April 2019	1.59	0.09	1.68
Additions	-	0.01	0.01
As at 31 March 2020	1.59	0.10	1.69
Additions	-	1.09	1.09
As at 31 March 2021	1.59	1.19	2.78
Accumulated amortisation			
As at 01 April 2019	0.42	0.06	0.48
Amortisation charge for the year	0.16	0.02	0.18
As at 31 March 2020	0.58	0.08	0.66
Amortisation charge for the year	0.16	0.10	0.26
As at 31 March 2021	0.74	0.18	0.92
Net block:			
As at 31 March 2021	0.85	1.01	1.86
As at 31 March 2020	1.01	0.02	1.03

NOTE 6: FINANCIAL ASSETS - LOANS

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
(Unsecured and considered good, unless stated otherwise)				
Security deposits				
-Considered good- unsecured	25.20	1.29	19.11	5.85
Loan to others	-	16.79	-	-
Loan to body corporate (refer note (a) below)				
-Considered good- unsecured	4.92	1.28	8.23	0.80
Total	30.12	19.36	27.34	6.65

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

NOTE 7: OTHER FINANCIAL ASSETS

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
(Unsecured and considered good)				
Deposits with maturity of more than 12 months (refer note (a) below)	2.43	-	1.02	-
Others	-	0.02	-	0.02
Total	2.43	0.02	1.02	0.02
(a) Held as margin money for procurement of gold from suppliers against letter of credit.	2.13	-	0.08	-


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTE 8: DEFERRED TAX ASSETS (NET)

(₹ in crore)

	As at 31 March 2021	As at 31 March 2020
Deferred tax asset arising on account of		
Difference between accounting base and tax base of property, plant and equipment	13.95	13.28
Provision for employee benefits	1.76	2.18
Deferred lease rent	9.50	7.00
Provision for discount	0.70	1.13
Financial assets and liabilities at amortised cost	1.93	1.61
Losses carried forward	9.68	11.61
Minimum alternate tax credit entitlement	0.21	0.21
Expected credit loss on trade receivables	15.75	15.71
Valuation of inventory	1.94	1.54
Others	6.38	5.31
	61.79	59.58

Deferred tax liability arising on account of

(₹ in crore)

	As at 31 March 2021	As at 31 March 2020
Financial assets at fair value through profit or loss	(0.16)	(0.15)
	(0.16)	(0.15)
Net deferred tax assets	61.63	59.43

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

(₹ in crore)

	Opening balance as on 1 April 2020	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2021
Deferred tax asset arising on account of					
Difference between accounting base and tax base of property, plant and equipment	13.28	0.67	-	-	13.95
Provision for employee benefits	2.18	(0.18)	(0.24)	-	1.76
Deferred lease rent	7.00	2.50	-	-	9.50
Provision for discount	1.13	(0.43)	-	-	0.70
Financial assets and liabilities at amortised cost	1.61	0.32	-	-	1.93
Losses carried forward	11.61	(1.93)	-	-	9.68
Minimum alternate tax credit entitlement	0.21	-	-	-	0.21
Expected credit loss on trade receivables	15.71	0.04	-	-	15.75
Valuation of inventory	1.54	0.40	-	-	1.94
Others	5.31	1.07	-	-	6.38
	59.58	2.46	(0.24)	-	61.79
Deferred tax liability arising on account of					
Financial assets at fair value through profit or loss	(0.15)	(0.01)	-	-	(0.16)
	(0.15)	(0.01)	-	-	(0.16)
Net deferred tax assets	59.43	2.45	(0.24)	-	61.63

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(b) 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
Deferred tax asset arising on account of					
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
	47.69	4.72	(0.30)	7.47	59.58
Deferred tax liability arising on account of					
Financial assets at fair value through profit or loss	(0.83)	0.68	-	-	(0.15)
	(0.83)	0.68	-	-	(0.15)
Net deferred tax assets	46.86	5.40	(0.30)	7.47	59.43

NOTE 9: OTHER ASSETS

(₹ in crore)

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Capital advances	-	-	0.08	-
Advance to suppliers	-	24.07	-	38.19
Balances with statutory authorities	-	35.69	3.18	26.16
Prepaid expenses	9.74	4.80	11.70	4.33
Others	-	5.18	-	7.68
	9.74	69.74	14.96	76.36

NOTE 10: INVENTORIES

(valued at lower of cost and net realisable value)

(₹ in crore)

	As at 31 March 2021	As at 31 March 2020
Raw materials	1.81	352.37
Work-in-progress	1,951.57	1,661.24
Finished goods	3,982.18	3,392.13
Stock-in-trade	8.73	8.00
	5,944.29	5,413.74


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTE 11: CURRENT FINANCIAL ASSETS - INVESTMENTS

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Investment in mutual funds (quoted) - at fair value through profit and loss		
Canara Robeco Capital Protection Oriented Fund Series 8 Regular Growth Plan (31 March 2021: Nil units, 31 March 2020: 1,500,000 units)	-	1.75
State Bank of India dual advantage fund - Series - XXIII Regular Growth Plan (31 March 2021: Nil units, 31 March 2020: 1,500,000 units)	-	1.58
Union Capital Protection Oriented Fund Series 8- Regular Growth Plan (31 March 2021: Nil units, 31 March 2020: 1,500,000 units)	-	1.55
Union Corporate Bond Fund - Regular Growth Plan (31 March 2021: 1,076,745 units , 31 March 2020: 1,076,745 units)	1.29	1.20
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth Plan (31 March 2021: 600,000 units, 31 March 2020: 600,000 units)	0.75	0.67
Canara Robeco Capital Protection Oriented Fund Series 10 Regular Growth Plan (31 March 2021: 250,000 units, 31 March 2020: 250,000 units)	0.31	0.26
ICICI Prudential Corporate Bond Fund - Regular Growth Plan (31 March 2021: 71,825 units, 31 March 2020: 71,825 units)	0.24	0.23
HDFC Top 100 Fund-Growth Plan (31 March 2021: 4,661 units, 31 March 2020: 4,661 units)	0.27	0.16
State Bank of India Magnum Balanced Fund - Regular Growth Plan (31 March 2021: 10,628 units, 31 March 2020: 10,628 units)	0.18	0.13
SBI Banking and PSU Fund Series Regular Growth Plan L348 RG (31 March 2021: 20,467 units, 31 March 2020: Nil units)	5.02	-
Union Medium Duration Fund - Regular Growth Plan (March 31, 2021: 2,49,987.501 units , March 31, 2020: Nil units)	0.26	-
	8.32	7.53
Aggregate amount of quoted investments and market value thereof	8.32	7.53

NOTE 12: TRADE RECEIVABLES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Considered good - secured	-	-
Considered good - unsecured	1,428.93	1,880.62
Credit impaired	63.56	63.40
Less: Loss allowance	(63.56)	(63.40)
	1,428.93	1,880.62

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 2021	As at 31 March 2020
Balances with banks - in current accounts	23.02	15.32
Cheques on hand	0.15	0.53
Cash on hand	27.38	10.23
Deposits with original maturity of less than 3 months	7.22	1.97
	57.77	28.05

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

(a) Held as margin money for procurement of gold from suppliers against letter of credit.	0.98	-
(b) Inter-alia includes deposits of ₹ 2.50 crore (31 March 2020: ₹ 2.41) which are earmarked.		

NOTE 14: OTHER BANK BALANCES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Deposits with maturity of more than 3 months but less than 12 months (refer note a & b below)	119.70	212.08
Unclaimed dividend account (refer note c below)	0.10	0.12
	119.80	212.20
(a) Held as margin money for procurement of gold from suppliers against letter of credit.	84.81	93.19
(b) Inter-alia includes deposits of ₹ 0.02 crore (31 March 2020: ₹ 0.02 crore) which are earmarked.		
(c) Not due for deposit to the Investor Education and Protection Fund.		

NOTE 15: EQUITY SHARE CAPITAL

a) Authorised share capital

	(₹ in crore)	
	Number of shares	Amount
Equity shares of ₹ 10 each		
Total authorised equity share capital as at 31 March 2020	440,000,000	440.00
Increase during the year	60,000,000	60.00
Total authorised equity share capital as at 31 March 2021	500,000,000	500.00
Preference shares of ₹ 10 each		
Total authorised preference share capital as at 31 March 2021/31 March 2020	260,000,000	260.00
Issued, subscribed and paid-up share capital:		(₹ in crore)
	Number of shares	Amount
Equity shares of ₹ 10 each		
Balance as at 1 April 2019	394,647,987	394.65
Issued on exercise of employee stock options	354,895	0.35
Balance as at 31 March 2020	395,002,882	395.00
Issued on preferential allotment	70,330,000	70.33
Issued on exercise of employee stock options	71,014	0.07
Shares issued and fully paid as at 31 March 2021	465,403,896	465.40

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. 'During the year ended 31 March 2021, after getting necessary approval from share holders as well as in principle approvals from BSE Limited and National Stock Exchange of India limited, the board of the Parent company vide a resolution passed by circulation



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

on 04 February 2021, made allotment of 7,03,30,000 equity shares having face value of ₹ 10 /- each, at an issue price of ₹ 30/- per share to Shri Balram Garg, promoter of the Parent Company, on preferential basis, in accordance with the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 pursuant to conversion of unsecured loan amounting to ₹ 2,10,99,00,000 extended by him to the Parent Company.

c) Shares reserved for issue under options

3,461,867 equity shares are reserved for 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 2021		As at 31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 10 each				
Mr. Balram Garg	204,282,100	43.89%	133,952,100	33.91%
Mr. Sachin Gupta	-	-	48,462,813	12.27%
Mrs. Krishna Devi	48,462,813	10.41%	-	-
	252,744,913	54.30%	182,414,913	46.18%

*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 2021	As at 31 March 2020
Retained earnings	2,644.21	2,581.49
General reserve	68.33	54.54
Securities premium	1,068.95	925.98
Share options outstanding account	21.26	36.56
Foreign currency translation reserve	1.16	9.45
	3,803.91	3,608.02

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.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021	As at 31 March 2020	Remarks
Secured					
Vehicle loans	8.25% - 10.65%	May 2024	0.42	1.40	Refer note (i)
Term loans from banks	11.45%	November 2020	-	10.60	Refer note (ii)
			0.42	12.00	
Less: Current maturities of long term borrowings (refer note 21)			(0.10)	(11.34)	
Total			0.32	0.66	

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

(ii) Term loans from banks (including current maturities) aggregating to ₹ Nil crore (31 March 2020: ₹ 10.60 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

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Provision for employee benefits obligations (refer note 35)	4.70	2.26	5.81	2.84
Provision for unascertained tax liability (refer note below)	-	-	38.48	-
	4.70	2.26	44.29	2.84

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 2021	As at 31 March 2020
Balances as at the beginning of the year	38.48	38.48
Add: Provision made during the year	-	-
Less: Utilised during the year	-	-
Less: Written back during the year	38.48	-
Balance as at the end of the year	-	38.48


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTE 19: CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in crore)

	Interest rate	Maturity date	As at 31 March 2021	As at 31 March 2020	Remarks
Secured (carried at amortised cost)					
From banks:					
Cash credit facilities	10.20% - 15.00%	Payable on demand	999.96	886.52	Refer note (i)
Funded interest term loans	10.35% - 15.00%	Payable on demand	143.92	-	Refer note (i)
Demand loans	10.35% - 15.00%	Payable on demand	1,145.57	1,180.46	Refer note (i)
Total			2,289.45	2,066.98	
Unsecured					
Loan from related party	Interest free	Payable on demand	4.37	215.42	Refer note (ii)
Loan from others	Interest free	Payable on demand	0.03	0.03	Refer note (iii)
Total current financial liabilities-borrowings			2,293.85	2,282.43	

- (i) Cash credit facilities, Funded interest term loans and demand loans 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 his relatives and corporate guarantees and collateral securities of other companies.
- (ii) The Parent Company had an outstanding interest free loan of ₹ 215.42 crores received from a related party which was repayable on demand. Out of this ₹ 210.99 crore has been converted to Equity pursuant to preferential allotment during the year and ₹ 0.06 has been adjusted against outstanding balance of the previous year ended 31 March 2020. (also 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:- Details of Period and amount of default in loan repayment as at year end:

Name of Bank	As at 31 March 2021			As at 31 March 2020		
	Interest/Principal	Period of Default	(₹ in crore)	Period of Default	(₹ in crore)	
Punjab National Bank	Interest	The delay in repayments ranging between 1 to 360 days as on 31 March 2021	6.12		-	
Corporation bank	Interest		0.89		-	
State Bank of India	FITL Principal		43.40		-	
Punjab National Bank	FITL Principal		27.49		-	
Union Bank of India	FITL Principal		11.84		-	
Corporation Bank	FITL Principal		12.79		-	
Allahabad Bank	FITL Principal		11.08		-	
Bank of India	FITL Principal		12.00		-	
Indian Overseas Bank	FITL Principal		9.45		-	
Syndicate Bank	FITL Principal		7.25		-	
IDBI BANK	FITL Principal		5.92		-	
Bank of Baroda	FITL Principal		2.20		-	
Axis Bank	FITL Principal		1.58		-	
IDFC	FITL Principal		3.71		-	
Canara Bank	FITL Principal		1.68		-	
KVB Bank	FITL Principal		1.70		-	
IndusInd Bank	FITL Principal		1.28		-	
Punjab National Bank	SBLC Invocation		53.50		-	
Total				213.88		-

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 20: TRADE PAYABLES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.52	1.49
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	936.83	1,088.57
	937.35	1,090.06

* Includes gold on lease ₹ 879.90 crore (31 March 2020: ₹ 1,045.90 crore) on which interest is charged at 2.40% to 3.25% per annum (31 March 2020: 2.25% to 3.25% per annum).

NOTE 21: OTHER CURRENT FINANCIAL LIABILITIES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Current maturities of long term debt (refer note 17)	0.10	11.34
Interest accrued but not due on borrowings	21.96	8.66
Unpaid dividends*	0.10	0.12
Creditors for capital goods	-	0.30
Employee related payables	3.90	5.32
Foreign currency payables, net	3.22	46.95
Others	48.51	38.73
	77.79	111.42

*Not due for deposit to the Investor Education and Protection Fund

NOTE 22: OTHER CURRENT LIABILITIES

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Advances received from customers	47.77	57.68
Deposits received from customers	11.93	36.42
Statutory dues payable	1.49	1.65
Others	3.10	6.00
	64.29	101.75

NOTE 23: CURRENT TAX LIABILITIES (NET)

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Provision for income-tax (net of prepaid taxes)	127.85	126.13
	127.85	126.13

NOTE 24: REVENUE FROM OPERATIONS

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	2,826.34	5,206.77
	2,826.34	5,206.77


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTE 25: OTHER INCOME

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Interest income on:		
fixed deposits with banks	5.45	13.53
loan to a body corporate	0.51	0.51
other financial assets carried at amortised cost	2.88	3.42
Gain on investments measured at FVTPL	0.04	-
Net Profit on sale of property, plant and equipment*	0.26	-
Profit on termination of right-of-use assets	-	0.46
Net gain on foreign currency transactions and translations	-	52.85
Profit on modification of lease	-	3.05
Liabilities written back	1.56	-
Other non-operating income	13.38	6.60
	24.08	80.42

* net of loss on disposal of property, plant and equipment amounting to ₹ 0.29 crore.

NOTE 26: COST OF MATERIALS CONSUMED

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Raw material		
Balance at the beginning of the year	352.37	366.27
Add: purchases during the year	2,781.76	4,918.17
Balance at the end of the year	1.81	352.37
	3,132.32	4,932.07

NOTE 27: PURCHASES OF STOCK-IN-TRADE

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Purchases of stock-in-trade	29.69	34.17
	29.69	34.17

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

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance		
Work-in-progress	1,661.24	1,482.55
Finished goods	3,392.13	3,149.21
Stock-in-trade	8.00	14.35
	5,061.37	4,646.11
Closing balance		
Work-in-progress	1,951.57	1,661.24
Finished goods	3,989.10	3,392.13
Stock-in-trade	8.73	8.00
	5,949.40	5,061.37
Other inventory adjustments	(0.09)	(1.08)
	(887.94)	(414.18)

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 29: EMPLOYEE BENEFITS EXPENSE

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	40.17	63.83
Contribution to provident and other funds	1.44	3.15
Share based payments to employees	0.82	8.82
Staff welfare expenses	1.09	2.44
	43.52	78.24

NOTE 30: FINANCE COSTS

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities at amortised cost#	348.70	314.71
Interest on late deposit of advance tax	13.63	14.88
Interest on lease liabilities	14.63	14.21
Other finance costs	16.86	25.42
	393.82	369.22

includes ₹ 16.94 crore (previous year ₹ 51.53 crore) as finance cost on gold on lease included in trade payables.

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSES

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	13.75	16.39
Amortisation of right-of-use assets	20.92	20.79
Amortisation of intangible assets	0.26	0.18
	34.93	37.36

NOTE 32: OTHER EXPENSES

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Advertisement and publicity	4.38	14.07
Labour charges	15.70	11.05
Hallmarking charges	0.25	0.86
Consumption of packing material	0.94	3.97
Rent (refer note 45)	3.56	6.54
Business promotion	0.73	2.45
Communication	1.32	3.12
Repairs and maintenance	4.07	4.62
Provision for impairment	4.26	-
Discount and commission	1.28	1.27
Net loss on disposal of fixed assets	0.27	-
Electricity and water	5.68	7.56
Vehicle running and maintenance	0.08	0.84
Insurance	1.07	1.16


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Legal and professional (including payment to auditors) (refer note (a) below)	4.37	7.08
Rates and taxes	0.36	0.68
Printing and stationery	0.23	0.59
Security expenses	5.50	5.95
Travelling and conveyance	0.97	1.43
Advances written off (net of provision for doubtful advance)	-	3.16
Expected credit loss on trade receivables	0.15	41.29
Net loss on foreign currency transactions and translations	31.54	-
Bad debts written off	-	0.35
Loss on investments measured at FVTPL	-	0.11
Bank charges	2.36	5.22
Donation	-	0.41
Expenditure on corporate social responsibility activities (refer note 46)	6.50	-
Miscellaneous expenses	0.70	1.21
	96.27	124.99

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
(a) Payment to the auditors:		
- As auditors	0.22	0.66
- For other services (including limited reviews)	0.17	0.62
- For reimbursement of expenses	0.01	0.06
Total	0.40	1.34

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

	(₹ in crore)	
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax:		
Current tax on profits for the year	7.61	47.68
Adjustments for current tax of prior periods	(59.35)	-
	(51.74)	47.68
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(2.45)	(5.40)
Total tax expense	(54.19)	42.28

(b) Income-tax on other comprehensive income

	(₹ in crore)	
Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Re-measurement of defined benefit obligations	(0.24)	(0.30)
Total tax expense recognised in other comprehensive income	(0.24)	(0.30)

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before income-tax	7.81	125.32
Applicable Indian statutory income-tax rate	25.17%	25.17%
Computed expected tax expense	1.97	31.54
Prior period adjustments (refer note (a) below)	(59.35)	-
Effect of non-deductible expenses	3.68	3.45
Effect of lower/(higher) tax rate on subsidiaries	-*	(0.04)
Effect of no tax on a foreign subsidiary	(0.84)	(1.23)
Change due to adoption of new tax rate (refer note (b) below)	0.34	10.35
Others	0.01	(1.79)
Income-tax expense reported in the statement of profit and loss	(54.19)	42.28

* rounded off to nil

Note:

- (a) During the year the parent company has reversed outstanding provisions for income tax amounting to ₹ 38.48 crore and ₹ 20.87 crore for AY 18-19 and AY 19-20 respectively on the basis of Assessment orders received under section 143(1)(a) of the Income Tax Act, 1961. The management is of the view that no additional income tax liability shall be payable with respect to these assessment years.
- (b) During the previous year ended 31 March 2020, the Parent Company 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 had recognised provision for income-tax for the year ended 31 March 2020 basis the revised rates resulting in reduction in current tax expense. The Parent Company has also re-measured its deferred tax asset on the basis of the reduced rate during the previous year ended 31 March 2020. For the current year ended 31 March 2021 also, the same option has been followed for the calculation of the tax expense.

NOTE 34: EARNINGS PER SHARE

Particulars	Units	Year ended 31 March 2021	Year ended 31 March 2020
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
Net profit attributable to shareholders for basic/diluted earnings per share	₹ in crore	62.00	83.04
Weighted average number of equity shares for basic earnings per share		405,641,605	394,876,826
Effect of exercise of share options		836,433	844,947
Weighted average number of equity shares for diluted earnings per share		406,478,038	395,721,773
Basic earnings per share	₹	1.53	2.10
Diluted earnings per share	₹	1.53	2.10


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTE 35: EMPLOYEE BENEFITS

(₹ in crore)

	As at 31 March 2021	As at 31 March 2020
Provision for gratuity	6.62	7.04
Provision for compensated absences	0.34	1.61
	6.96	8.65

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 2021	As at 31 March 2020
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	7.04	7.26
Interest cost	0.46	0.52
Current service cost	0.90	1.08
Benefits paid	(0.81)	(0.66)
Actuarial (gains) on obligation	(0.97)	(1.16)
Closing defined benefit obligation	6.62	7.04
Expense recognised in the statement of profit and loss:		
Current service cost	0.90	1.08
Interest cost	0.46	0.52
	1.36	1.60
(Income)/loss recognised in the other comprehensive income:		
Net actuarial loss/(gain) in the year	7.33	(1.16)
	7.33	(1.16)
Net expense recognised in the total comprehensive income	8.69	0.44
Breakup of actuarial (gain)/loss		
Actuarial (gain) arising from change in demographic assumption	-	(0.08)
Actuarial loss/(gain) arising from change in financial assumption	0.18	(0.65)
Actuarial gain arising from experience adjustment	(1.15)	(0.43)
	(0.97)	(1.16)

Actuarial assumptions used

	As at 31 March 2021	As at 31 March 2020
Discount rate	5.40% - 6.50%	5.6% - 6.75%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life	25.10 - 26.57	26.50 - 27.47

Demographic assumptions used

	As at 31 March 2021	As at 31 March 2020
Mortality table	IALM(2012-14)	IALM(2012-14)
Retirement age	60 years	60 years
Average remaining life	25.10 - 26.57	26.50 - 27.47

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021		As at 31 March 2020	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
(Decrease)/ increase in the defined benefit liability	(0.17)	0.18	(0.19)	0.20
Salary growth rate				
Increase/ (decrease) in the defined benefit liability	0.17	(0.16)	0.19	(0.18)
Average life expectancy				
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). 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 ₹ 1.03 crore (31 March 2020 : ₹ 1.86 crore) in the next 12 months.

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

	(₹ in crore)				
	2020-21	2019-20	2018-19	2017-18	2016-17
Defined benefit obligations	6.62	7.04	7.26	6.82	5.62
Experience gain/(loss) adjustments on planned liabilities	1.15	0.43	0.65	(0.48)	(0.10)

Compensated absences

The leave obligations cover the Parent Company's liability for sick and earned leaves. The Parent Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However, based on past experience, the Parent Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Therefore, based on the independent actuarial report, provision for compensated absences has been bifurcated as current and non-current.

Actuarial assumptions used

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	5.40%	5.60%
Expected salary escalation rate	5.00%	5.00%



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Defined contribution plans

The Group has certain defined contribution plans. In case of companies included in the Group which are incorporated in India, contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 1.08 crore (31 March 2020 : ₹ 2.29 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.

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

	31 March 2021		31 March 2020	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
Balance at the beginning of the year	10.00	903,355	10.00	1,258,250
Options granted during the year	10.00	-	10.00	-
Options exercised during the year	10.00	71,014	10.00	354,895
Options lapsed/forfeited during the year	10.00	277,817	10.00	-
Balance at the end of the year	10.00	554,524	10.00	903,355
Vested and exercisable	10.00	554,524	10.00	731,820

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(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 2021	Share options outstanding as on 31 March 2020
	31 March 2021	31 March 2020					
14 May 2015	2.12	3.12	13 May 2023	10.00	726,300	252,000	330,300
25 May 2017	4.16	5.16	24 May 2025	10.00	50,000	-	35,000
01 August 2017	4.34	5.34	31 July 2025	10.00	100,000	-	70,000
19 January 2018	4.81	5.81	18 January 2026	10.00	882,537	302,524	468,055
Total						554,524	903,355

(d) The fair value of the options granted has been calculated on the date of grant using Black Scholes option pricing model with the following assumptions:

(i)	Grant date	14 May 2015	25 May 2017	01 August 2017	19 January 2018
(ii)	Expiry date	13 May 2023	24 May 2025	31 July 2025	18 January 2026
(iii)	Fair value of options granted (per share)	₹ 318.22	₹ 393.99	₹ 231.55	₹ 536.47
(iv)	Exercise price	₹ 10	₹ 10	₹ 10	₹ 10
(v)	Share price at grant date	₹ 328.50	₹ 452.60	₹ 251.75	₹ 587.35
(vi)	Weighted historical volatility (%)	52.61	52.82	52.48	51.85
(vii)	Time to maturity-years	8 years	8 years	8 years	8 years
(viii)	Expected dividend yield (%)	0.71	1.23	1.23	1.23
(ix)	Risk free interest rate (%)	7.97- 8.04	6.82- 7.09	6.50- 6.83	7.26- 7.37

The volatility used in the Black Scholes Option Pricing Model is the annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. Informal tests and preliminary research tends to confirm that estimates of the expected long-term future volatility should be based on historical volatility for a period that approximates the expected life of the options being valued. The Parent Company was listed on BSE Limited and National Stock Exchange of India Limited on 27 December 2012. The volatility is determined by taking into account the period since the listing of the Parent Company.

NOTE 37: RELATED PARTY TRANSACTIONS:

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)*	Mr. Balam Garg (Promoter and Managing Director)
Other entities in which KMP has significant influence	Balam Garg, Hindu Undivided Family

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


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021	31 March 2020	31 March 2021	31 March 2020
Remuneration recovered				
Mr. Balram Garg	-	4.87	-	-
	-	4.87	-	-
Loan received				
Mr. Balram Garg	-	215.42	-	-
	-	215.42	-	-
Loan converted into equity				
Mr. Balram Garg	210.99	-	-	-
	210.99	-	-	-
Adjustment towards loan				
Mr. Balram Garg	0.06	-	-	-
	0.06	-	-	-
Remuneration paid*				
Mr. Balram Garg	-	2.40	-	-
	-	2.40	-	-
Rent paid				
Mr. Balram Garg	0.02	0.04	-	-
	0.02	0.04	-	-

* 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.

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 2021	31 March 2020	31 March 2021	31 March 2020
Balance outstanding at the year end				
Loan outstanding				
Mr. Balram Garg	4.37	215.42	-	-
	4.37	215.42	-	-
Rent paid recoverable				
Mr. Balram Garg	0.16	-	-	-
	0.16	-	-	-

During the year, the Parent Company has paid short-term employee benefits amounting ₹ Nil crore (previous year ₹ 2.40 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.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021

(₹ in crore)

	Export		Domestic		Total before eliminations		Eliminations		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue										
Sale of goods	256.33	968.77	2,610.30	4,333.03	2,866.63	5,301.80	40.29	95.03	2,826.34	5,206.77
Total revenue	256.33	968.77	2,610.30	4,333.03	2,866.63	5,301.80	40.29	95.03	2,826.34	5,206.77
Finance income	1.38	3.59	14.68	20.92	16.06	24.51	7.22	7.05	8.84	17.46
Segment results										
Total profit/(loss) before finance cost and unallocable expenditure	(12.04)	47.49	428.22	453.47	416.18	500.96	0.06	1.29	416.14	499.67
Finance cost	10.02	29.49	377.39	331.91	387.41	361.40	7.22	7.05	380.19	354.34
Unallocated expense	-	-	-	-	20.92	21.38	(7.22)	1.37	28.14	20.01
Net profit/(loss) before tax	(22.06)	18.00	50.83	121.56	7.85	118.18	0.06	(7.13)	7.81	125.32
Income tax expense	-	-	-	-	(54.19)	42.28	-	-	(54.19)	42.28
Net profit/(loss) after tax	(22.06)	18.00	50.83	121.56	62.04	75.90	0.06	(7.13)	62.00	83.04
Assets										
Segment assets	1,896.30	2,180.20	7,413.98	7,252.80	9,310.29	9,433.00	1,498.30	1,590.57	7,811.99	7,842.43
Unallocated assets	-	-	-	-	346.13	342.23	260.39	287.39	85.74	54.84
Total assets	1,896.30	2,180.20	7,413.98	7,252.80	9,656.42	9,775.23	1,758.69	1,877.96	7,897.73	7,897.27
Liabilities										
Segment liabilities	1,647.11	1,947.94	3,486.14	3,532.15	5,133.25	5,480.09	1,651.97	1,758.87	3,481.28	3,721.22
Unallocated liabilities	-	-	-	-	147.14	173.03	-	-	147.14	173.03
Total liabilities	1,647.11	1,947.94	3,486.14	3,532.15	5,280.39	5,653.12	1,651.97	1,758.87	3,628.42	3,894.25
Capital expenditure	-	-	1.70	2.27	1.70	2.27	-	-	1.70	2.27
Total capital expenditure	-	-	1.70	2.27	1.70	2.27	-	-	1.70	2.27
Depreciation and amortisation	0.66	0.67	34.27	36.69	34.93	37.36	-	-	34.93	37.36
Total depreciation and amortisation	0.66	0.67	34.27	36.69	34.93	37.36	-	-	34.93	37.36
Non cash expenditures other than depreciation (net)										
Unrealised foreign exchange gain	(57.79)	(53.99)	6.52	4.77	(51.27)	(49.22)	-	-	(51.27)	(49.22)



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

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 2021

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Impact of change in fair value relating to the hedged risk
	Assets	Liabilities	Assets	Liabilities				
	Hedged item - inventory of gold	10.77	-	Not applicable				
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	0.88	-	Range - within 6 months	Trade payables	0.88	

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.

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.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 40: FINANCIAL INSTRUMENTS

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates;

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in crore)

	Level 1	Level 2	Level 3	Total
As at 31 March 2021				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	8.32	-	-	8.32
Derivative instruments				
Option to fix prices of gold in purchase contracts	0.88	-	-	0.88
Total financial assets	9.19	-	-	9.19
Financial liabilities				
Derivative instruments				
Forward contracts	-	3.22	-	3.22
Total financial liabilities	-	3.22	-	3.22
As at 31 March 2020				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	7.53	-	-	7.53
Total financial assets	7.53	-	-	7.53
Financial liabilities				
Derivative instruments				
Forward contracts	-	46.95	-	46.95
Total financial liabilities	-	46.95	-	46.95

(ii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices for investments in mutual funds.
- Use of market available inputs such as gold prices and foreign exchange rates for option to fix prices of gold in purchase contracts and foreign currency forward contracts.



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 41: FINANCIAL RISK MANAGEMENT

i) Financial instruments by category

(₹ in crore)

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
- mutual funds	8.32	-	7.53	-
Loans to body corporate	-	6.20	-	9.03
Trade receivables	-	1,428.93	-	1,880.62
Security deposits	-	26.49	-	24.96
Cash and cash equivalents	-	57.77	-	28.05
Other receivables	-	0.02	-	0.02
Unclaimed dividend account	-	0.10	-	0.12
Bank deposits	-	122.13	-	213.10
Total	8.32	1,641.64	7.53	2,155.90
Financial liabilities				
Borrowings	-	2,316.23	-	2,303.09
Trade payables*	-	937.35	-	1,090.06
Lease liabilities	-	120.01	-	134.66
Derivative financial liabilities	3.22	-	46.95	-
Other financial liabilities	-	52.51	-	44.47
Total	3.22	3,426.10	46.95	3,572.28

* Trade payables for 31 March 2021 included the value of the option to fix prices on gold purchases (embedded derivative) that is carried at FVTPL. The value of such embedded derivative which was financial asset of Rs. 0.88 crore as at 31 March 2021 was reduced from value of trade payables (as discussed further below).

- (a) The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.
- (b) The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following table presents the option to fix prices on gold purchases that are added to/offset with trade payables, as at 31 March 2021 and 31 March 2020:

(₹ in crore)

Particulars	Amount of trade payables	Gross amounts set off/added to the balance sheet	Amounts presented in the balance sheet
31 March 2021	938.23	(0.88)	937.35
31 March 2020	1,090.06	-	1,090.06

Option to fix prices on gold purchases is an embedded derivative that will be settled together with the trade payables. Accordingly, such amounts are either added to or offset with but are shown separately in the table above.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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.

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



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Not due	94.09	563.72
0-30 days past due	58.44	60.60
31-60 days past due	1.85	24.48
61-90 days past due	1.00	40.00
More than 90 days past due	1,337.11	1,255.22
Expected credit loss (loss allowance provision)	(63.56)	(63.40)
	1,428.93	1,880.62

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

	(₹ in crore)
	Trade receivables
Loss allowance on 1 April 2019	22.11
Loss allowance created during the year	41.29
Loss allowance as on 31 March 2020/ 1 April 2020	63.40
Loss allowance created during the year	0.16
Loss allowance as on 31 March 2021	63.56

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 2021	As at 31 March 2020
Concentration of trade receivables*		
Export wholesale customers	1,375.95	1,835.95
Domestic wholesale customers	38.13	7.15
Franchise stores	14.55	37.13
Others	0.30	0.39
	1,428.93	1,880.62

*Net of expected credit loss amounting to ₹ 63.56 crore (31 March 2020 : ₹ 63.40 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 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.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Financing arrangements

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

	(₹ in crore)	
	As at 31 March 2021	As at 31 March 2020
Expiring within one year (bank overdraft and other facilities)	-	53.14
	-	53.14

Contractual maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

						(₹ in crore)
31 March 2021	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
Borrowings (including interest)	2,293.85	1.05	0.22	0.11	0.02	2,295.25
Trade payables	-	937.35	-	-	-	937.35
Other financial liabilities	0.10	52.42	-	-	-	52.52
Lease liabilities (including interest)	-	32.14	30.55	27.31	73.75	163.75
Total	2,293.95	1,022.96	30.77	27.42	73.77	3,448.87

						(₹ in crore)
31 March 2020	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
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 liability	-	32.63	31.35	30.05	97.60	191.63
Total	2,282.55	1,187.61	31.71	30.29	97.73	3,629.89

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.

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,



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

keeping all other variables constant, there would have been corresponding impact on losses/profits of ₹ 42.08 crore (previous year ₹ 3.78 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 2021, 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 2021	31 March 2020
Variable rate borrowing	2,289.45	2,066.98
Fixed rate borrowing	4.81	227.45
Total borrowings	2,294.26	2,294.43

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 ₹ 9.03 crore (previous year ₹ 7.73 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 ₹ 0.31 crore (previous year ₹ 0.28 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 be no impact of the fluctuation in the price of the gold on the Group's profit for the period.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

		(₹ in crore)	
(a)	Particulars	31 March 2021	31 March 2020
	Non-current borrowings (refer note 17)	0.32	0.66
	Current borrowings (refer note 19)	2,293.85	2,282.43
	Other financial liability (refer note 21)	22.06	20.00
	Less: Cash and cash equivalents (refer note 13)	(57.77)	(28.05)
	Net debts	2,258.46	2,275.04
	Equity share capital (refer note 15)	465.40	395.00
	Other equity (refer note 16)	3,803.91	3,608.02
	Total capital	4,269.31	4,003.02
	Gearing ratio	52.90%	56.83%

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.

		(₹ in crore)	
Particulars		31 March 2021	31 March 2020
(a)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
	Principal amount due to micro and small enterprises	0.31	1.36
	Interest due on above	0.21	0.13
(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.	0.21	0.13
(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.	0.21	0.13


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTE 44: CONTINGENT LIABILITY

		(₹ in crore)	
		As at 31 March 2021	As at 31 March 2020
(a)	Claims against the Group not acknowledged as debts*#	1.01	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	8.24

*Excluding interest, if any, which is not ascertainable

#The Group has furnished bank guarantees amounting to ₹ 0.46 crore for ongoing litigations

NOTE 45: LEASES

The Group's lease assets primarily consist of leases for buildings for showrooms and offices having various lease terms.

i) Lease liabilities are presented in the statement of financial position as follows:

		(₹ in crore)	
Particulars		As at 31 March 2021	As at 31 March 2020
Current		29.55	31.07
Non-current		90.46	103.60
Total		120.01	134.67

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 and 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.

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.

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

ii) The recognised right-of-use assets relate to the retail outlets and other marketing offices as at 31 March 2021.

Particulars	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Right-of-use assets- retail outlets and other marketing offices		
Balance as on beginning of the year	108.58	120.81
Add: Additions on account of new leases entered during the year	7.37	39.44
Less: Termination/ modifications	2.08	30.88
Less: Amortisation expense charged on the right-of-use assets	20.92	20.79
Balance as at 31 March 2021	92.95	108.58

iii) The following are amounts recognised in the statement of profit and loss:

Particulars	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Amortisation expense of right-of-use assets	20.92	20.79
Interest expense on lease liabilities	14.72	14.21
Rent expense	3.56	6.54
Total	39.20	41.54

iv) Lease payments not recognised as a liability

Particulars	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
Expenses relating to short term leases (included in other expenses)	3.27	6.08
Expenses relating to variable lease payments not included in lease payments	0.29	0.46
Total	3.56	6.54

v) At 31 March 2021, the Group was committed to short-term leases and the total commitment at that date was ₹ 1.08 crore.

vi) Total cash outflow for leases for the year ended 31 March 2021 was ₹ 23.70 crore.

vii) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)
Retail outlets and other marketing offices	70	1-9	4.43

The Group has a right to extend/terminate its leasing arrangements beyond the initial agreement/lock in period. For the assessment of lease term as per Ind AS 116, the management of the Group has considered the extension options and not considered the early termination options wherever available for its property leases in its lease period assessment since the Group is likely to be benefited from a longer lease tenure.

viii) During the year ended 31 March 2021, the Parent Company has renegotiated with certain landlords on rent reduction/waiver due to Covid-19 pandemic. The management believes that such reduction/waiver in rent is short term in nature and meets the conditions in accordance with the notification dated July 24, 2020 issued by the Central Government in consultation with National Financial Reporting Authority as per Companies (Indian Accounting Standards) Amendment Rules, 2020 effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Parent Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification. Accordingly, the Parent Company has recognized ₹ 9.45 crores in the



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Statement of Profit and Loss as "Other income" during the year ended 31 March 2021.

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 ₹ 6.37 crore (31 March 2020 : ₹ 8.72 crore)
- Amount spent during the year on CSR (excluding 5% administrative expenses)

(₹ in crore)				
S.No	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	6.50	-	6.50

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:

(₹ in crore)					
Particulars	Long term borrowings	Short term borrowings	Equity share capital	Lease liabilities	Total
Net debt as at 01 April 2019	29.86	2,090.68	394.65	-	2,515.19
Proceeds from allotment of employee stock options	-	-	0.21	-	0.21
Allotment of employee stock options due to corporate action	-	-	0.14	-	0.14
Creation of lease liability under Ind AS 116	-	-	-	151.09	151.09
New leases	-	-	-	37.74	37.74
Termination/modification of leases	-	-	-	(34.75)	(34.75)
Repayment of non-current borrowings (net)	(17.86)	-	-	-	(17.86)
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
Net debt as at 31 March 2020	12.00	2,282.43	395.00	134.67	2,824.10
Proceeds from allotment of employee stock options	-	-	0.07	-	0.07
New leases	-	-	-	6.55	6.55
Termination/modification of leases	-	-	-	(12.23)	(12.23)
Repayment of non-current borrowings	(11.58)	-	-	-	(11.58)
Payment of lease liabilities	-	-	-	(23.70)	(23.70)
Payment of interest on lease liabilities	-	-	-	14.72	14.72
Proceeds of current borrowings (net)	-	222.47	-	-	222.47
Adjustment towards loan	-	(0.06)	-	-	(0.06)
Prefential allotment of Equity Shares	-	(210.99)	70.33	-	(140.66)
Net debt as at 31 March 2021	0.42	2,293.85	465.40	120.01	2,879.68

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

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

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 2021	Year ended 31 March 2020
Revenue by geography		
Export	256.33	968.77
Domestic	2,570.01	4,238.00
Total	2,826.34	5,206.77

(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 2021	Year ended 31 March 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	57.68	1.82

(c) Assets and liabilities related to contracts with customers

	(₹ in crore)	
Description	Year ended 31 March 2021	Year ended 31 March 2020
	Current	Current
Contract liabilities related to sale of goods		
Advance from customers	47.77	57.68

(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price

Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	2,830.84	5,214.68
Less: Discount, rebates, credits etc.	4.50	7.91
Revenue from operations as per Statement of Profit and Loss	2,826.34	5,206.77



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(e) Significant changes in contract assets and liabilities

Description	(₹ in crore)	
	Year ended 31 March 2021	Year ended 31 March 2020
	Advance from customers	Advance from customers
Opening balance	57.68	6.24
Add: Addition during the year (net)	48.22	53.26
Less: Revenue recognised during the year from opening liability	57.68	1.82
Closing balance	48.22	57.68

NOTE 49: IMPACT OF COVID-19 CRISIS

The retail industry as a whole has been adversely impacted due to COVID-19 and consequent lockdown resulting out of it. The Group has faced significant headwinds due to COVID-19 impacting the operations of the Group owing to store closures and complete lockdown. The Group's performance for the year ended 31 March 2021 has been impacted due to this unprecedented disruption. Any impact in future will largely depend on factors such as overall improvement in Covid situation, customer confidence, etc. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventory, receivable and other current assets. The management 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. However, 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 financial year ended 31 March 2019, the Parent Company had provided discounts to its export customers aggregating to ₹ 513.65 crore and had submitted the requisite applications for approval from the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management Act, 1999. Subsequently, the Parent Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 315.21 crore. However, for the remaining discounts of ₹ 198.44 crores approvals are still awaited from the said authorities. Further, the management does not expect any material penalty to be levied on account of this matter and, therefore, no provision for the same has been provided in the books of accounts with respect to such delay/default.
- (b) During the previous year ended 31 March 2020, one of the subsidiary company, PC Universal Private Limited, had provided discounts to its export customers aggregating to ₹ 4.75 crore. Subsequently, the subsidiary company submitted the requisite applications for approval from the Authorised Dealer Banks as stipulated by the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management Act, 1999. During the year ended 31 March 2021, the subsidiary company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 4.75 crore.

NOTE 51: DELAY IN RECEIPT OF FOREIGN CURRENCY AGAINST EXPORT

Trade receivables as at 31 March 2021, inter alia, include outstanding from export customers of the Parent Company, aggregating to ₹ 1109.40 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 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 52: Existence of uncertainty casting significant doubt on the subsidiaries' ability to continue as going concern

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

During the year, subsidiary companies, namely Transforming Retail Private Limited and PC Universal Private Limited have incurred net losses amounting ₹ 0.36 crores and ₹ 6.24 crores respectively (previous year ₹ 0.62 crores and ₹ 0.89 crores respectively) and Luxury Products Trendsetter Private Limited earned a net profit of ₹ 4.43 crores. Thus, resulting in accumulated losses of ₹ 7.08 crores in Transforming Retail Private Limited (previous year ₹ 6.71 crores), ₹ 21.62 crores in PC Universal Private Limited (previous year ₹ 15.38 crores) and ₹ 22.98 crores in Luxury Products Trendsetter Private Limited (previous year ₹ 27.41 crores). These events or conditions indicates that a material uncertainty exist which may cast significant doubt on these subsidiary companies' ability to continue as going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

To improve working capital position and improve its operational performance, the Parent Company has taken the following steps:

- a) The Parent Company, vide signed agreement dated January 25, 2016, and amendment agreement dated February 14, 2020 has agreed to provide loan to its subsidiary company Luxury Products Trendsetter Private Limited upto ₹ 150 crores in various tranches as and when required. The Parent Company has already given funds amounting to ₹ 41.97 crores as on March 31, 2021 (net of repayments) in relation to the same.
- b) The Parent Company, vide signed agreement dated May 20, 2016, and amendment agreement dated February 14, 2020 has agreed to provide loan to its subsidiary company PC Universal Private Limited upto ₹ 400 crores in various tranches as and when required. The Parent Company has already given funds amounting to ₹ 81.08 crores as on March 31, 2021 (net of repayments) in relation to the same.
- c) The Parent Company has further provided support letter regarding its commitment towards providing sufficient working capital to the company as and when required.
- d) The management is in process of identifying new customers, new techniques and sales channels so as to expand jewellery retail business of Transforming Retail Private Limited. This will help the subsidiary to achieve its projections and mitigate the losses.
- e) The management is in process of identifying new customers and new geographies so as to expand the jewellery wholesales exports business of PC Universal Private Limited. This will help the subsidiary to achieve its projections and mitigate the losses.
- f) The management is in process of optimizing manufacturing capabilities of Jaipur Unit of Luxury Products Trendsetter Private Limited, identifying new customers and new geographies so as to expand its jewellery manufacturing business. This will help the subsidiary to achieve its projections and mitigate the losses.

As a result of the above matters, the directors are of the view that the subsidiaries will continue as a going concern and, therefore, will realise their assets and liabilities and commitments in the normal course of business. The management remain confident about the successful achievement of projected targets and therefore no adjustments have been made to these financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the subsidiary companies not continue as a going concern.

NOTE 53: DISSOLUTION OF SUBSIDIARY

With effect from April 05, 2021 one of the subsidiary, M/s Comercializadora Internacional PC Jeweller International S.A.S., ceased to exist as the company had entered into settlement in its country of incorporation. Commercial Licenece was surrendered on November 19, 2019 and the company had applied to DIAN authorities for closure of company. The company has obtained Certificate of dissolution from Chamber of Commerce of Medellin for Antioquia on April 09, 2021, i.e. post closure of financial statements.

NOTE 54: GROUP INFORMATION

Consolidated financial statements as at 31 March 2021 comprise the financial statements of PC Jeweller Limited and its subsidiaries, which are as under:


SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Subsidiaries	Principal activities	Country of incorporation	Status of financial statements as at 31 March 2021	% equity interest as at	
				31 March 2021	31 March 2020
A Indian subsidiaries:					
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 Foreign subsidiary:					
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.

Note 55: 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
Parent:								
PC Jeweller Limited	93.80	4,004.58	20.56	12.75	(7.66)	0.58	24.51	13.34
Subsidiaries:								
Indian:								
PC Universal Private Limited	1.89	80.77	(2.87)	(1.78)	-	-	(3.27)	(1.78)
Transforming Retail Private Limited	0.13	5.35	21.02	13.03	(0.26)	0.02	23.98	13.05
Luxury Products Trendsetter Private Limited	0.38	16.22	55.61	34.48	(1.59)	0.12	63.56	34.60
PCJ Gems & Jewellery Limited	- *	0.04	-	-	-	-	-	-

PC JEWELLER LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	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
Foreign:								
PC Jeweller Global DMCC	3.80	162.35	5.42	3.36	109.38	(8.28)	(9.06)	(4.93)
Comercializadora Internacional PC Jeweller International SAS**	-	-	0.26	0.16	0.13	(0.01)	0.28	0.15
Grand total	100.00	4,269.31	100.00	62.00	100.00	(7.57)	100.00	54.43

*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.

Notes 1 to 55 form an integral part of these consolidated financial statements.

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

For Arun K Agarwal & Associates

Chartered Accountants
Firm's Registration No.: 003917N

Sd/-
Arun Kumar Agarwal
Partner
Membership No. 082899

Place: New Delhi
Date: 27 May 2021

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



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, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs.in crores except earnings per share)

I. 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	2,826.34 / 2,850.42	2,826.34 / 2,850.42
2.	Total Expenditure	2,842.61	2,842.61
3.	Net Profit/(Loss)	7.81	7.81
4.	Earnings Per Share	1.53	1.53
5.	Total Assets	7,897.73	7,897.73
6.	Total Liabilities	3,628.42	3,628.42
7.	Net Worth	4,269.31	4,269.31
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(a) to the accompanying statement, the Holding Company during the financial year ended 31 March 2019 had provided discounts of ₹ 513.65 crore to its export customers which had been adjusted against the revenues for the said year. The Holding Company had initiated the process of complying with the requirements of the Master Circular on Exports of Goods and Services issued by the Reserve Bank of India and had filed the necessary applications with the appropriate authority for approval of such discounts, which is a prerequisite, under the Foreign Exchange Management Act, 1999. Subsequently, the Holding Company has obtained the approvals from the authorized dealer banks for reduction in receivables corresponding to discounts amounting to ₹ 315.21 crore. For the remaining discounts of ₹ 198.44 crore, in the absence of requisite approvals and material evidence related to such transactions, we are unable to comment on the impact, if any, of the same on the accompanying Statement. Auditor's Opinion for the year ended 31 March 2019 and 31 March 2020 and our conclusion for the quarter ended 30 June 2020, 30 September 2020 and 31 December 2020 were also modified in respect of this matter.

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.

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:

In case of Holding Company, the management had extended the discounts as on 31 March 2019 in view of the genuine business problems and operational issues being faced by its overseas buyers. The discount extended amounted to one-time discount of 25% of the export value of outstanding receivables as on 31 March 2019. The discount extended is in accordance with the Master Circular on Exports of Goods and Services - Master Circular No.14/2015-16 under the Foreign Exchange Management Act, 1999 and the management does not expect any material penalty to be levied and therefore, no provision for the same has been recognized in these financial results.

(iii) 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: 27 May 2021

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 crore)

Sl. No.	Name of the subsidiary Particulars	PC Universal Private Limited	Transforming Retail Private Limited	Luxury Products Trendsetter Private Limited	PCJ Gems & Jewellery Limited	PC Jeweller Global DMCC	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, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021
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 = 19.9466 INR	Reporting Currency INR Exchange Rate 1 COP = 0.0196 INR
3	Share capital	0.05	0.01	0.01	0.05	133.86	1.61
4	Reserves & surplus	(21.62)	(7.08)	(20.66)	(0.01)	28.49	(1.61)
5	Total assets	105.74	5.56	34.70	0.05	162.45	0.00
6	Total liabilities	127.31	12.62	55.35	0.00 [#]	0.10	0.00
7	Investments	0.26	0.00	0.00	0.00	0.00 [^]	0.00
8	Turnover	48.87	17.04	37.10	0.00	94.28	0.00
9	Profit / (loss) before taxation	(6.24)	(0.52)	6.69	0.00 [#]	3.36	0.16
10	Provision for taxation	0.00 [#]	(0.14)	2.38	0.00	0.00	0.00 [#]
11	Profit / (loss) after taxation	(6.24)	(0.38)	4.31	0.00 [#]	3.36	0.16
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

[#] Rounded off to nil

[^] Due to provisioning for impairment

- Names of subsidiaries which are yet to commence operations: (i) PCJ Gems & Jewellery Limited
(ii) Comercializadora Internacional PC Jeweller International S.A.S.
- Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates & Joint Ventures

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

For and on behalf of the Board of Directors

Sd/-
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: info@pcjeweller.com, Website: www.pcjeweller.com

NOTICE

Notice is hereby given that the 16th Annual General Meeting of Members of PC Jeweller Limited will be held on Thursday, September 30, 2021 at 1:00 P.M. (IST) through Video Conferencing / Other Audio Visual Means to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Statutory Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and the report of Statutory Auditors thereon.
2. To appoint a Director in place of Shri Ramesh Kumar Sharma (DIN: 01980542), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. RE-APPOINTMENT OF SHRI BALRAM GARG (DIN: 00032083) AS MANAGING DIRECTOR

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 {including any statutory modification(s) thereto or re-enactment thereof, for the time being in force}, Shri Balram Garg (DIN: 00032083), be and is hereby re-appointed as Managing Director of the Company, for a period of 5 (five) years with effect from July 1, 2021 to June 30, 2026, without any remuneration.

RESOLVED FURTHER THAT the Board of Directors / Nomination and Remuneration Committee be and is hereby authorized to vary, alter or modify the terms and conditions of re-appointment of Shri Balram Garg except relating to remuneration as it may at its discretion, deem fit, from time to time.

RESOLVED FURTHER THAT no sitting fee shall be paid to Shri Balram Garg for attending meetings of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT Shri Balram Garg shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Director(s) and / or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be necessary, proper or desirable for giving effect to this resolution.”

4. RATIFICATION / APPROVAL OF PAYMENT OF REMUNERATION TO SHRI RAMESH KUMAR SHARMA (DIN: 01980542), WHOLE-TIME DIRECTOR

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 {including any statutory modification(s) thereto or re-enactment thereof, for the time being in force}, payment of following remuneration to Shri Ramesh Kumar Sharma (DIN: 01980542), Whole-time Director of the Company (who was re-appointed at the 11th Annual General Meeting of the Company held on September 19, 2016 for a period of 5 years w.e.f. February 7, 2017) notwithstanding that such remuneration may have exceeded / may exceed the limits prescribed under Section 197 of the Act, be and is hereby ratified / approved:

- 1) For the period April 1, 2020 to March 31, 2021: Rs.33,33,355/-
- 2) For the period April 1, 2021 to February 6, 2022: Rs.3,25,000/- per month plus bonus/ex-gratia as per the rules of the Company and subject to the applicable laws

RESOLVED FURTHER THAT any of the Director(s) and / or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and

things, as may be necessary, proper or desirable for giving effect to this resolution.”

5. RE-APPOINTMENT OF SHRI RAMESH KUMAR SHARMA (DIN: 01980542) AS WHOLE-TIME DIRECTOR

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 {including any statutory modification(s) thereto or re-enactment thereof, for the time being in force}, Shri Ramesh Kumar Sharma (DIN: 01980542), be and is hereby re-appointed as Whole-time Director of the Company, designated as Executive Director, at the following terms and remuneration, notwithstanding that such remuneration may exceed the limits prescribed under Section 197 of the Act:

- 1) Period of re-appointment: 3 years i.e. from February 7, 2022 to February 6, 2025
- 2) Remuneration: Rs.3,25,000/- per month plus bonus / ex-gratia as per the rules of the Company and subject to the applicable laws

RESOLVED FURTHER THAT the Board of Directors / Nomination and Remuneration Committee be and is hereby authorized to vary, alter or modify the terms and conditions of re-appointment of Shri Ramesh Kumar Sharma except relating to remuneration as it may at its discretion, deem fit, from time to time.

RESOLVED FURTHER THAT no sitting fee shall be paid to Shri Ramesh Kumar Sharma for attending meetings of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT Shri Ramesh Kumar Sharma shall be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Director(s) and / or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be necessary, proper or desirable for giving effect to this resolution.”

By order of the Board of Directors
For **PC Jeweller Limited**

Place: New Delhi
Date: August 14, 2021

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. 02/2021 dated January 13, 2021 read with General Circular Nos. 20/2020 dated May 5, 2020, 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020 (hereinafter collectively referred to as “MCA Circulars”) permitted 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 16th AGM of the Company is being held through VC / OAVM. The deemed venue for this 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 16th 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 16th AGM. Hence, Proxy Form is not annexed to this Notice. Route Map and Attendance Slip are also not annexed to this Notice.

3. The explanatory statement pursuant to Section 102 of the Act in respect of special business Item Nos. 3 - 5 is annexed hereto and forms part of this Notice. The Board considered that the special business Item Nos. 3 - 5, being unavoidable, shall be transacted at this AGM of the Company.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In compliance with MCA Circulars and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 16th AGM along with Annual



Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository / Depository Participants. AGM Notice and Annual Report will also be available on the Company's website www.pcjeweller.com, websites of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin at <https://evoting.kfintech.com>.

6. The Company has engaged the services of its Registrar & Transfer Agent ("RTA") KFin Technologies Private Limited ("KFin"), as the Agency, for participation of Members in the 16th AGM through VC / OAVM, facility for remote e-voting and e-voting at the AGM.
7. Only those Members, whose names appear in Register of Members / List of Beneficial Owners as on **Thursday, September 23, 2021 ("Cut-off Date")** shall be entitled to vote (through remote e-voting and at the AGM) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date. A person who is not a Member as on the Cut-off Date should treat this Notice for information only.
8. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of the unpaid / unclaimed dividend amounts lying with the Company as on August 7, 2020 (i.e. date of last AGM) on its website and also with MCA.

As per Section 125 of the Act, any dividend amount remaining unpaid / unclaimed for a period of 7 years from the date of transfer to unpaid dividend account, is required to be transferred to Investor Education and Protection Fund ("IEPF"). Accordingly, unclaimed dividend for financial year 2012-13 and unclaimed interim dividend for financial year 2013-14 have already been transferred to IEPF by the Company.

The shares on which dividend remained unpaid / unclaimed for 7 consecutive years were also transferred to the demat account of IEPF Authority as per Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In view of this, Members are requested to claim their dividends within the stipulated time and contact the Company or its RTA for claiming the same.
9. Investors / Members may note that unclaimed share application money / dividends and relevant shares transferred to IEPF Authority can be claimed back. Concerned Investors / Members are advised to visit the weblink <http://iepf.gov.in/IEPF/refund.html> or contact the Company's RTA for lodging the claim for unclaimed share application money / dividends and relevant shares from IEPF Authority.
10. The Board of Directors has appointed Shri Randhir Singh Sharma, Practicing Company Secretary (CP No.: 3872), as the Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.
11. Members who would like to express their views or ask questions during the 16th AGM may register themselves as a speaker from 9:00 A.M. (IST) to 5:00 P.M. (IST) on September 26, 2021 by logging on at <https://emeetings.kfintech.com> and clicking on Speaker Registration option. 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.
12. Members are requested to carefully read the '**Instructions for attending the 16th AGM, remote e-voting and e-voting at the 16th AGM**' mentioned hereunder:
 - A) **Instructions for attending the 16th AGM:**
 - i) Members will be able to attend the AGM electronically through VC / OAVM at <https://emeetings.kfintech.com> by using their remote e-voting login credentials.
 - ii) After logging in, click on "Video Conference" option.
 - iii) Then click on camera icon appearing against AGM event of PC Jeweller Limited to attend the AGM. Please do the echo test once you enter into the AGM room.
 - iv) For better experience, Members are requested to join the meeting through laptops, tablets etc. using Google Chrome or other browsers such as Firefox, Safari, Internet Explorer or Microsoft Edge after removing firewalls.
 - v) 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.

- vi) Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will continue till expiry of 15 minutes from the scheduled time of the AGM.
- vii) Facility of joining the AGM through VC / OAVM shall be available for 1,000 Members on first come first serve basis. However, the participation of Members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.
- viii) Corporates / Institutional Members (i.e. other than Individuals, HUF's, NRI's etc.) are requested to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter etc., authorizing their representatives to attend / participate in the AGM through VC / OAVM on their behalf and to vote through remote e-voting / e-voting at the AGM. The said Board Resolution / Authority Letter etc. shall be sent to the Scrutinizer at the e-mail address rss.scrutinizer@gmail.com with copy to evoting@kfintech.com. Institutional Members are encouraged to attend and vote at the AGM.
- ix) Members, who have cast their votes by remote e-voting may also attend the AGM through VC / OAVM but shall not be entitled to cast their votes again.
- x) In case of any query relating to the procedure for attending the AGM through VC / OAVM or for any technical assistance, Members may call on KFin's toll free no.: 1800-309-4001 or send an e-mail at evoting@kfintech.com.

B) Instructions for remote e-voting and e-voting at the 16th AGM:

- i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is pleased to provide to its Members the facility to exercise their right to vote by electronic means. The Company has engaged the services of KFin as the Agency to provide the facility of remote e-voting

(before the AGM) and e-voting (at the AGM).

- ii) Members can opt for only one mode of voting i.e. remote e-voting or e-voting at the AGM.
- iii) The remote e-voting facility shall be available during the following period:

Commencement of remote e-voting : From 9:00 A.M. (IST) on Monday, September 27, 2021

End of remote e-voting : Up to 5:00 P.M. (IST) on Wednesday, September 29, 2021

The remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin upon expiry of the aforesaid period.

- iv) Only those Members, who are present at the AGM through VC / OAVM and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the AGM.
- v) Members who do not have User ID and Password for e-voting or have forgotten User ID and Password may retrieve the same by following the instructions for remote e-voting.
- vi) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- vii) In case of any query on e-voting, please visit Help and FAQs section available at KFin's website <https://evoting.kfintech.com> or e-mail at evoting@kfintech.com or call KFin's toll free no.: 1800-309-4001.
- viii) Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Entities" e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants ("DPS") in order to increase the efficiency of the voting process.
- ix) Individual demat account holders would be able to cast their vote without having to register again with the e-Voting Service Provider ("ESP") thereby not only facilitating seamless authentication but also



ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail address with their DPs to access e-voting facility.

- x) The detailed process and manner for remote e-voting and e-voting at the AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFin's e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Details on Step 1:

Login method for individual shareholders holding shares in demat mode is as under:

Type of shareholders	Login Method
Individual shareholders holding shares in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <ul style="list-style-type: none"> i) Visit URL: https://eservices.nSDL.com ii) Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii) On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting". iv) Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period. <p>2. User not registered for IDeAS e-Services:</p> <ul style="list-style-type: none"> i) To register click on link: https://eservices.nSDL.com ii) Select "Register Online for IDeAS" or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp iii) Proceed with completing the required fields. iv) Follow steps given in points 1. <p>3. Alternatively by directly accessing the e-voting website of NSDL:</p> <ul style="list-style-type: none"> i) Open URL: https://www.evoting.nSDL.com/ ii) Click on the icon "Login" which is available under 'Shareholder/Member' section. iii) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iv) Post successful authentication, you will be requested to select the name of the company and the e-voting Service Provider name, i.e. KFin. v) On successful selection, you will be redirected to KFin's e-voting page for casting your vote during the remote e-voting period.

<p>Individual shareholders holding shares in demat mode with CDSL</p>	<p>1. Existing user who have opted for Easi/Easiest:</p> <ul style="list-style-type: none"> i) Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com ii) Click on New System Myeasi. iii) Login with your registered User ID and Password. iv) The user will see the e-voting Menu. The Menu will have links of ESP i.e. KFin's e-Voting portal. v) Click on e-voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest:</p> <ul style="list-style-type: none"> i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii) Proceed with completing the required fields. iii) Follow the steps given in point 1. <p>3. Alternatively, by directly accessing the e-voting website of CDSL:</p> <ul style="list-style-type: none"> i) Visit URL: www.cdslindia.com ii) Provide your demat Account Number and PAN No. iii) System will authenticate user by sending OTP on registered mobile & e-mail as recorded in the demat Account. iv) After successful authentication, user will be provided links for the respective ESP, i.e. KFin where the e-voting is in progress.
<p>Individual shareholders login through their demat accounts / Website of Depository Participant</p>	<ul style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-voting facility. 2. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against company name or e-Voting service provider - KFin and you will be redirected to e-voting website of KFin for casting your vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk: Helpdesk for individual shareholders holding shares in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Shares held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 and 1800 22 44 30.
Shares held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.



Details on Step 2:

Login method for shareholders other than individual shareholders holding shares in demat mode and shareholders holding shares in physical mode is as under:

- A) Members whose e-mail addresses are registered with the Company / Depository / Depository Participants, will receive an e-mail from KFin, which will include details of E-Voting Event Number (EVEN), User ID and Password. They will have to follow the following process:
- i) Launch internet browser by typing the URL: <https://emeetings.kfintech.com>
 - ii) Enter the login credentials (i.e. User ID & Password). Your User ID will be as under:
 - For Members holding shares in demat form with NSDL: 8 character DP ID followed by 8 digits Client ID
 - For Members holding shares in demat form with CDSL: 16 digits Beneficiary ID
 - For Members holding shares in Physical Form: EVEN Number followed by Folio No.
 - iii) After entering these details appropriately, click "LOGIN".
 - iv) You will now reach Password Change Menu, wherein you are required to mandatorily change your Password. The new Password shall comprise of minimum eight characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @ etc.). The system will prompt you to change your Password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter the secret question and answer of your choice to retrieve your Password in case you forget it. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
 - v) You need to login again with the new credentials.
 - vi) On successful login, system will prompt you to select the 'EVEN' i.e. **PC Jeweller Limited** and click on submit.
 - vii) On the voting page, you will see resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares as on the Cut-off date i.e. September 23, 2021 (which represents number of votes) under 'FOR / AGAINST' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR / AGAINST' taken together shall not exceed your total shareholding. You may also choose the option 'ABSTAIN'. If Member does not indicate either 'FOR' or 'AGAINST', it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
- viii) Cast your vote by selecting an appropriate option and click 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else click 'CANCEL' to change your vote.
- ix) Once you 'CONFIRM' your vote on the resolution(s), you will not be allowed to modify your vote.
- x) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
- B) Members whose e-mail addresses are not registered with the Company / Depository / Depository Participants, and consequently the Annual Report, notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i) Members who have not registered their e-mail addresses and consequently Annual Report 2020-21 and notice of 16th AGM including e-voting instructions cannot be serviced to them electronically, may temporarily get their e-mail address and mobile number registered with KFin. For this purpose, Members are requested to:
 - a) visit the URL: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
 - b) Select the Company name i.e. PC Jeweller Limited and provide requisite details to register their e-mail address and mobile number.
 - ii) After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.
13. Any person who becomes Member of the Company after despatch of the 16th AGM Notice and holds shares as on the Cut-off Date i.e. September 23, 2021 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

PC JEWELLER LIMITED

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> e-voting Event Number + Folio No.

ii) If e-mail address or mobile number of Member is registered against Folio No. / DP ID - Client ID, then on the home page of <https://evoting.kfintech.com>, Member may click "Forgot Password" and enter Folio No. or DP ID - Client ID and PAN to generate a Password.

iii) Member may call KFin's toll free number 1800-309-4001.

iv) Member may send an e-mail request to evoting@kfintech.com.

14. Pursuant to Regulation 36 of Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of the Directors seeking re-appointment at the 16th AGM are annexed hereto and forms part of this Notice.

15. Relevant documents referred to in this Notice will be available for inspection electronically without any fee by Members on all business days (except Saturday, Sunday and Public Holidays) upto the date of the 16th AGM. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and the certificate of auditor in terms of SEBI (Share Based Employee Benefits) Regulations, 2014 regarding implementation of 'PC Jeweller Limited Employee Stock Option Plan 2011', will be available for inspection electronically by the members during the AGM. Members desirous of inspecting such documents may send request from their registered e-mail address to investors@pcjeweller.com by mentioning their DP Id - Client Id / Folio Number.

16. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman / Managing Director of the Company or in his absence to any other Director authorized by the Board of Directors, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman / Managing Director or in his absence by the Company Secretary within 48 hours from the conclusion of the AGM at the Registered Office of the Company.

The result declared along with the Scrutinizer's Report

shall be placed on the Company's website www.pcjeweller.com and also on KFin's website <https://evoting.kfintech.com>. Simultaneously the results shall also be forwarded to BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. September 30, 2021.

17. As per Regulation 40 of Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all the risks associated with physical shares, Members are advised to dematerialize shares held by them in physical form. Members can contact the Company's RTA at einward.ris@kfintech.com for seeking assistance / guidance in this regard.

18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such members free of cost after making requisite changes.

19. SEBI 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 respective Depository Participants and Members holding shares in physical form are required to submit their PAN to KFin.

20. Members holding shares in dematerialised form are also requested to provide their bank details and intimate changes, if any pertaining to their name, postal address, e-mail address, telephone / mobile numbers, nomination, power of attorney, bank details etc. to their respective Depository Participants.

Members holding shares in physical form are also requested to provide their bank details and intimate such changes to the Company's RTA at einward.ris@kfintech.com under the signatures of the first / joint holder(s) by submitting (i) scanned copy of the signed request letter containing the Member's name, folio number, bank details; (ii) self-attested copy of PAN and (iii) cancelled cheque leaf.

21. 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 Participants (in case the shares are held in demat form) and with RTA (in case the shares are held in physical



form). Blank forms will be provided by the Company on request.

22. Members are requested to participate in the 'Green Initiative in Corporate Governance' for receiving all communications including Annual Report, Notices etc. from the Company electronically. Members, who have not yet registered their e-mail addresses, are requested to register the same with:

- i) their respective Depository Participants (in case the shares are held in demat form); and
- ii) with the Company's RTA (in case the shares are held in physical form) at the e-mail address – einward.ris@kfintech.com along with the scanned copy of signed request letter mentioning their folio number, name and address, scanned copy of share certificate (front and back), self-attested scanned copy of PAN card and self-attested scanned copy of any document (viz. Aadhar card, Driving License, Passport etc.) in support of their address.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No.: 3

In the 10th Annual General Meeting, Members have approved re-appointment of Shri Balram Garg as Managing Director of the Company for a period of 5 years from July 1, 2016. Accordingly, his previous term of re-appointment as Managing Director expired on June 30, 2021. Pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 {including any statutory modification(s) thereto or re-enactment thereof, for the time being in force}, the Board of Directors (the "Board") on the recommendation of Nomination and Remuneration Committee and subject to the approval of Members, re-appointed him as Managing Director for a period of 5 years w.e.f. July 1, 2021 to June 30, 2026, on the terms and conditions as specified in the resolution at Item No.3 of this Notice.

In the 10th Annual General Meeting, Members have approved re-appointment of Shri Balram Garg as Managing Director at a monthly salary in the range of Rs.60 lakh to Rs.1 crore plus other perquisites / allowances. However, since August 2019 he has voluntarily foregone remuneration and confirmed that he will not draw any remuneration on his re-appointment as Managing Director of the Company w.e.f. July 1, 2021. Accordingly, the Board has recommended his re-appointment for the present term i.e.

from July 1, 2021 to June 30, 2026 without any remuneration.

Shri Balram Garg aged 51 years holds a Bachelor's degree in Commerce from the University of Delhi, New Delhi. He has more than 30 years of experience in the jewellery industry. He is one of the Promoter of the Company and has been on the Board and at the helm of affairs of the Company since its incorporation i.e. April 13, 2005. Shri Balram Garg has been instrumental in establishing PC Jeweller as a prominent brand and established player in organised retail jewellery sector. Under his dynamic leadership and guidance, the Company grew tremendously and achieved many milestones including becoming one of the leading jewellery companies in the organised jewellery retail sector in India, getting successfully listed at BSE Limited and National Stock Exchange of India Limited in December 2012 and increasing total number of showrooms of the Company to 82.

Keeping in view that Shri Balram Garg has rich and varied experience in the Industry and has been engaged in the operations of the Company right from its inception, it would be in the best interest of the Company to continue to avail the benefits of his experience and expertise.

The Written Memorandum under Section 190 of the Act, setting out the terms of re-appointment of Shri Balram Garg as Managing Director of the Company, will be available for inspection by Members, on all business days (i.e. except Saturday, Sunday and Public holidays), upto the date of 16th AGM.

The Board recommends the resolution at Item No. 3 of this Notice, for approval of Members by way of an Ordinary Resolution.

Except Shri Balram Garg and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of this Notice.

Item Nos.: 4 and 5

In the 11th Annual General Meeting, Members have approved re-appointment of Shri Ramesh Kumar Sharma as Whole-time Director of the Company for a period of 5 years from February 7, 2017 at a monthly salary in the range of Rs.3 lakh to Rs.5 lakh plus other perquisites / allowances. Subsequently, on June 28, 2017 through Postal Ballot Notice, Members have approved upward revision in his monthly salary in the range of Rs.5.75 lakh to Rs.10 lakh w.e.f. April 1, 2017 for the remaining period of his tenure i.e. upto February 6, 2022. However, due to slow down in the jewellery industry, which in turn was impacting profitability of the sector including the Company, Shri Ramesh Kumar Sharma has voluntarily reduced his monthly salary from

PC JEWELLER LIMITED

Rs.5.75 lakh to Rs.3.25 lakh w.e.f. November 1, 2019 and his last drawn monthly salary was Rs.3.25 lakh.

The present term of re-appointment of Shri Ramesh Kumar Sharma as Whole-time Director will expire on February 6, 2022. Pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the Board of Directors (the "Board") upon the recommendation of Nomination and Remuneration Committee, recommended his re-appointment as Whole-time Director designated as Executive Director for a term of 3 years w.e.f. February 7, 2022 to February 6, 2025, on the terms and conditions as specified in the resolution at Item No.5 of this Notice.

Shri Ramesh Kumar Sharma aged 63 years is a Certified Associate of Indian Institute of Bankers. He holds a Bachelor's degree and a Master's degree in Commerce from University of Rajasthan, Jaipur. He is associated with the Company since April, 2007 and over a period of 14 years he has immensely contributed to the growth of the Company. Prior to joining the Company, he was associated with State Bank of Bikaner and Jaipur and has over 29 years' experience in foreign exchange, credit and administration.

In view of his contribution to the growth of the Company, his qualities and capabilities supported by experience and after assessing his business acumen, the Board considers that his re-appointment as Whole-time Director would be of immense benefit to the Company.

In terms of the provisions of Section 197 read with Schedule V of the Act, the Company is required to obtain approval of Members by way of Special Resolution for payment of remuneration to Managerial Personnel in case of no profit or inadequacy of profit.

The outbreak of Covid-19 pandemic has slowed down economic growth and adversely impacted businesses and industries around the world and our Company is not an exception to the same. Lockdowns and other restrictions were imposed for restricting the spread of Covid-19. These developments have adversely impacted the profitability of the Company during last financial year as well as first quarter of the current financial year. This resulted into inadequacy of profit computed in the manner prescribed under section 198 read with 197 of the Act ("Net Profit") in relation to remuneration paid to Shri Ramesh Kumar Sharma during financial year ended March 31, 2021. Also, it is likely that the situation of inadequacy of Net Profit may continue for some more time, accordingly, the remuneration payable to Shri Ramesh Kumar Sharma during the remaining period of his present term of

re-appointment as well as on re-appointment may exceed the limits prescribed under section 197 of the Act. The Board upon the recommendation of Nomination and Remuneration Committee approved the remuneration paid / proposed to be paid to Shri Ramesh Kumar Sharma and further recommended the same for ratification / approval of Members by way of Special Resolutions.

The Company being in default in payment of dues to the banks have sought their approval for payment of remuneration to Shri Ramesh Kumar Sharma for the relevant period of his existing tenure as well as on his re-appointment as Whole-time Director. In response, the banks have approved payment of existing remuneration i.e. Rs.3.25 lakh per month to him for part of the financial year ended March 31, 2021 and the remaining tenure of his existing term i.e. upto February 6, 2022 as well as on his re-appointment as Whole-time Director. The Company is in the process of approaching banks once again for their approval for payment of remuneration to Shri Ramesh Kumar Sharma for the remaining part of the financial year ended March 31, 2021. However, if the Company does not get approval of the banks for payment of remuneration for remaining part of the financial year ended March 31, 2021, then Shri Ramesh Kumar Sharma will refund the remuneration for that period to the Company.

The draft Written Memorandum under Section 190 of the Act, setting out the terms of payment of remuneration / re-appointment of Shri Ramesh Kumar Sharma as Whole-time Director of the Company, will be available for inspection by Members, on all business days (i.e. except Saturday, Sunday and Public holidays), upto the date of 16th AGM.

The Board recommends the resolutions at Item Nos. 4 and 5 of this Notice, for approval of Members by way of Special Resolutions.

Except Shri Ramesh Kumar Sharma and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions.

A) Disclosure(s) in terms of Section 197 read with Schedule V of the Act and applicable Rules thereunder

I) General Information

- a) **Nature of industry:** Jewellery industry
- b) **Date or expected date of commencement of commercial production:** The Company was incorporated on April 13, 2005 and its business activities commenced thereafter.



c) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable

d) **Financial performance based on given indicators:**
The financial performance of the Company during last three financial years is as under:

Particulars	(Rs. in crore)		
	FY 2018-19	FY 2019-20	FY 2020-21
Revenue from continuing operations	8,368.85	4,938.59	2,669.34
Earnings before interest, tax, depreciation and amortization (EBITDA) (from continuing operations)	359.90	527.08	431.35
Profit before tax	2.76	123.54	4.41
Profit / (loss) for the year after tax (before other comprehensive income)	(2.81)	78.50	60.84
Basic / Diluted earnings per share (in Rs.)	(0.07) / (0.07)	1.99 / 1.98	1.50 / 1.50

e) **Foreign investments or collaborations, if any:**
Investment amounting to Rs.133.86 crore in the Company's wholly owned subsidiary PC Jeweller Global DMCC incorporated in Dubai (UAE). The Company has not entered into any foreign collaboration.

II) Information about Shri Ramesh Kumar Sharma

- a) **Background details and recognition or awards:**
Shri Ramesh Kumar Sharma aged 63 years is a Certified Associate of Indian Institute of Bankers. He holds a Bachelor's degree and a Master's degree in Commerce from University of Rajasthan, Jaipur. He is associated with the Company since April, 2007. Prior to joining the Company, he was associated with State Bank of Bikaner and Jaipur.
- b) **Job profile and his suitability:** Shri Ramesh Kumar Sharma is presently designated as Executive

Director & Chief Operating Officer. He is performing his duties as Whole-time Director subject to the superintendence, control and direction of the Board of Directors of the Company. He is also Director of the Company's wholly owned subsidiary PC Jeweller Global DMCC. Over a period of 14 years, he has immensely contributed to the growth of the Company. In view of his contribution to the growth of the Company, his qualities and capabilities supported by experience, his re-appointment as Whole-time Director would be of immense benefit to the Company.

c) **Past remuneration:** Shri Ramesh Kumar Sharma was re-appointed as Whole-time Director at the 11th Annual General Meeting of the Company for a period of 5 years w.e.f. February 7, 2017 at a monthly salary in the range of Rs.3 lakh to Rs.5 lakh plus other perquisites / allowances. Subsequently, on June 28, 2017, Members through Postal Ballot Notice approved upward revision in his monthly salary in the range of Rs.5.75 lakh to Rs.10 lakh w.e.f. April 1, 2017 for the remaining period of his tenure i.e. upto February 6, 2022. However, due to slow down in the jewellery industry, which in turn was impacting profitability of the sector including the Company, Shri Ramesh Kumar Sharma voluntarily reduced his monthly salary from Rs.5.75 lakh to Rs.3.25 lakh w.e.f. November 1, 2019. The total remuneration drawn by him during last three financial years is as under:

Particulars	(Rs. in lakh)		
	FY 2018-19	FY 2019-20	FY 2020-21
Gross Salary	72.95	58.60	33.33
Stock Option	74.57	23.24	0.00
Total	147.52	81.84	33.33

- d) **Remuneration proposed:** As set out in the Item Nos. 4 and 5 of this Notice.
- e) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The remuneration is a factor of experience, expertise, industry practice and size of the Company etc. Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Shri Ramesh Kumar Sharma, the remuneration proposed to be ratified / approved / paid is completely justified. Keeping in view the similar or higher levels of remuneration

in India at these levels, the remuneration proposed is moderate in comparison to the remuneration of similar senior level personnel in other similar companies in the Industry.

- f) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Shri Ramesh Kumar Sharma has no other pecuniary relationship with the Company or with the managerial personnel, except the remuneration being paid to him as Whole-time Director of the Company.

III) Other information

- a) **Reasons of loss or inadequate profits:** Since the beginning of financial year 2021, the Indian economy has witnessed the impact of outbreak of Covid-19 pandemic, which has affected the revenue and profits of the businesses across industry. Covid-19 developed rapidly into a global crisis, forcing governments to enforce lockdowns and other restrictions. It has affected the businesses and economy all over the world and the Company was no exception to the same. The revenue from operations of the Company fell by 46% to Rs.2,669.34 crore during financial year 2020-21. Consequently, profit before tax also fell to Rs.4.41 crore as compared to Rs.123.54 crore during previous year.

The start of this financial year once again witnessed resurgence of Covid-19 thereby impacting the Company's revenue and profitability during first quarter. While the Company has taken various cost austerity measures since last financial year to soften the impact of the steep revenue decline on profitability, it is possible that in future there may be a situation of inadequacy of profit computed in the manner prescribed under Section 198 read with 197 of the Act.

- b) **Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:** The Company believes that it is well positioned to capture opportunities for growth and profitability, on the basis of its competitive strengths. The Company has taken various steps for increasing its profitability including cost rationalization measures to counter the decrease in the revenue, launching of new jewellery designs and collections to meet

the choices and requirements of large customer base etc. Although the Company will endeavor and ensure to take necessary steps to increase its revenue from operations and profitability to the level of previous years but in view of the prevailing situation of Covid-19 and expected third wave, the Company is not expecting substantial growth in its revenues and profitability.

B) Other parameters under Section 200 of the Act read with applicable Rule thereunder

- a) **Financial and operating performance of the Company during the three preceding financial years:** Requisite details are provided in para A (I) (d) above.
- b) **Remuneration or commission drawn by individual concerned in any other capacity from the Company:** Shri Ramesh Kumar Sharma is not drawing any remuneration or commission in any other capacity from the Company.
- c) **Remuneration or commission drawn from any other Company:** Shri Ramesh Kumar Sharma is not drawing any remuneration or commission from any other Company.
- d) **Professional qualification and experience:** Please refer para A (II) (a) above.
- e) **Relationship between remuneration and performance:** Shri Ramesh Kumar Sharma is drawing only fixed remuneration and no performance linked incentives are being paid to him. Due to voluntary reduction, his monthly salary reduced from Rs.5.75 lakh to Rs.3.25 lakh w.e.f. November 1, 2019.
- f) **The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receive remuneration and employees or executives of the company:** The Company has a performance management culture. Every employee periodically undergoes performance evaluation against his / her role, responsibility and duties, and increase in remuneration is based on the evaluation of individual's performance. All employees of the Company, including Whole-time Director, are governed by the Company's Performance Management System, in addition to the Board approved Remuneration Policy. Additionally, industry benchmarks are also used to determine the appropriate level of



remuneration, from time to time.

- g) Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference:** The Company has a Board approved Remuneration Policy. This policy outlines, *inter alia*, separate remuneration parameters for Whole-time Director / Managing Director, Key Managerial Personnel and Senior Management and Other Employees. The principles of remuneration including 'reward for performance' are broadly uniform for all three categories.

- h) Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year:** Shri Ramesh Kumar Sharma is holding 1,32,500 equity shares of the Company and none of these shares were pledged as on March 31, 2021. He is not holding any stock options.

By order of the Board of Directors
For **PC Jeweller Limited**

Sd/-

(VIJAY PANWAR)

Company Secretary

Place: New Delhi

Date: August 14, 2021

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 16TH ANNUAL GENERAL MEETING

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting]

Name	Shri Balram Garg	Shri Ramesh Kumar Sharma
Date of Birth	April 3, 1970	September 27, 1957
Qualifications	B. Com. from University of Delhi	Certified Associate of Indian Institute of Bankers, B. Com. & M. Com. from University of Rajasthan, Jaipur
Expertise in specific functional areas	Overall management of the Company and industry experience	Administration, governance and industry experience
Date of first appointment on the Board	April 13, 2005	February 7, 2014
No. of meetings of the Board attended during financial year 2020-21	5 of 5	5 of 5
Remuneration drawn during financial year 2020-21	Nil	Rs.33.33 lakh
Relationships between directors inter-se & Key Managerial Personnel	None	None
Directorships held in other Indian companies (excluding foreign companies and Section 8 companies)	PCJ Gems & Jewellery Limited PC Universal Private Limited Transforming Retail Private Limited Luxury Products & Trendsetter Private Limited	None
Memberships / Chairmanships of committees of the Board of public limited companies (includes only Audit Committee and Stakeholders' Relationship Committee)	PC Jeweler Limited Audit Committee - Member Stakeholders Relationship Committee - Member	PC Jeweler Limited Stakeholders Relationship Committee - Member
Shareholding in the Company	20,42,82,100 equity shares	1,32,500 equity shares



PC Jeweller

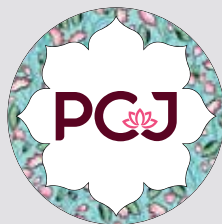


WELCOME TO THE
WORLD OF GRANDEUR



For further details on any of our showrooms or to buy online log on to www.pcjeweller.com OR Write to us at info@pcjeweller.com

Follow us on: [f facebook.com/PCJINDIA](https://www.facebook.com/PCJINDIA) [t twitter.com/PCJeweller](https://twitter.com/PCJeweller) [i instagram.com/pc_jeweller](https://www.instagram.com/pc_jeweller)



PC Jeweller

PC Jeweller Limited

C - 54, Preet Vihar, Vikas Marg, Delhi-110092
www.pcjeweller.com