



PC Jeweller



PC JEWELLER LIMITED

ANNUAL REPORT 2020-21



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Forward-looking statements

Some information in this report may contain forward-looking statements within the meaning of applicable security laws and regulations. This 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





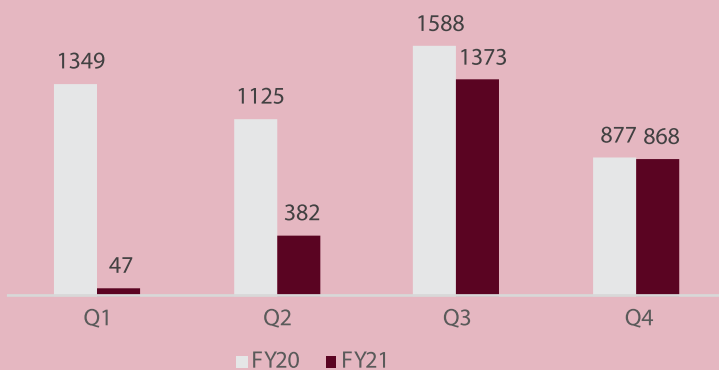
Increased Equity-Better Network:

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

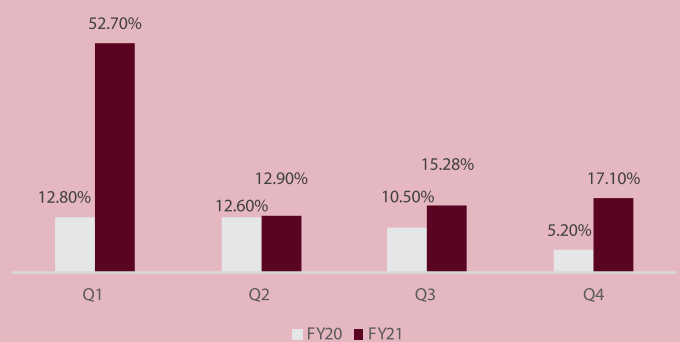
Rationalized Operational Expenditure:

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

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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