



PC Jeweller

# ANNUAL REPORT 2022-23

PC JEWELLER LIMITED





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### Forward-looking statements

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





# SOME OF OUR COLLECTIONS



**Animal  
Collection**



**Anant  
Collection**



**Bandhan  
Mangalsutra Collection**



**Dashavtar Collection**



**Expresso**



**Folia Amoris**



**Fluttering Beauty**



**Mens Collection**



**Plique-A'-Jour Collection**



**Ring It On**



# MESSAGE FROM MANAGING DIRECTOR

of ₹ 1,405.06 crore for the corresponding period ending December 2021.

The resolution process as laid down by the Reserve Bank of India involves several steps including Independent Credit Evaluation of the resolution proposal by two Rating Agencies appointed by the Lenders. Unfortunately, one of the two Rating Agencies appointed did not give the required RP4 Rating to the Company's resolution proposal, which meant that the same could not be processed further. Though the Company took immediate steps to further improve its proposal, the Lenders thought otherwise and went to the legal recourse for recovery of their dues. The Lenders have also placed restrictions on the normal banking transactions of the Company thus depriving it of the necessary liquidity to run the operations.

The Company believes that its Lenders have not followed the principles of natural justice in its case as they took the legal route arbitrarily and without giving it a fair hearing. It has therefore sought justice against the arbitrary actions of its Lenders in various legal fora.

Obviously, dealing with a number of litigations along with the restrictions placed on the transactions have affected the Company's operations very adversely. However, the Company continues to remain an operating entity in spite of the on-going litigations. There have not been any adverse judgement against the Company till date and all the cases continue to be sub-judice.

At the same time the Company continues to remain open to an out of court amicable settlement and is engaging with its Lenders for the same.

In view of the present situation and the strong defence being put up by the Company's counsels in the court rooms, it does not anticipate any adverse decision and hence remains confident and positive about its going concern status remaining intact. The Company also continues to follow its core principles of trust and purity as well as no compromise on the quality of its product i.e. jewellery.

I am thankful to all our employees, management as well as my Board Colleagues who continue to depict their strong resolve and commitment towards the Company through these testing times.

Yours sincerely,

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

## ***Dear Shareholders,***

I hereby present you the Annual Report of your Company for the financial year 2022-23.

This financial year had started on an optimistic note as the Lenders had accepted the Company's request for resolution of its account under the laid down norms. After acceptance of the Company's request for resolution, the Lenders had permitted regular transactions in the Company's account in the month of May 2023, which permitted the Company and its management to concentrate on rebuilding its business. This started getting reflected in the Company's performance, which showed a turnover of ₹ 2,186.22 crore for the 9 months ending December 2022 as against a turnover

# Corporate Information

**BOARD OF DIRECTORS**

Shri Balram Garg

Shri Ramesh Kumar Sharma

Smt. Sannovanda Machaiah Swathi

Dr. Manohar Lal Singla

Shri Krishan Kumar Khurana

Shri Miyar Ramanath Nayak

Shri Suresh Kumar Jain

Managing Director

Executive Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

**CHIEF FINANCIAL OFFICER**

Shri Sanjeev Bhatia

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Shri Vijay Panwar

**STATUTORY AUDITORS**

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

Firm Registration No.: 003917N

**REGISTERED OFFICE**

PC Jeweller Limited

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

Tel: 011 - 49714971, Fax: 011 - 49714972

**REGISTRAR AND TRANSFER AGENT (RTA)**

KFin Technologies Limited

Selenium Tower B, Plot No. 31 - 32,

Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad - 500032 (Telangana)

Toll Free No.: 1800-309-4001

E-mail: einward.ris@kfintech.com

**WEBSITE**

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

**CORPORATE IDENTITY NUMBER**

L36911DL2005PLC134929

**ISIN**

INE785M01013

**BSE SCRIP CODE**

534809

**NSE SYMBOL**

PCJEWELLER



# STATUTORY REPORTS



# DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report along with the audited financial statements of the Company for the financial year ended March 31, 2023.

## FINANCIAL SUMMARY

The summary of standalone financial statements of the Company for the financial year ended March 31, 2023 and previous year are as under:

(₹ in crore, except earnings per share)

Particulars	2022-23	2021-22
Revenue from operations	2,359.46	1,574.05
Other income	147.85	59.51
<b>Total income</b>	<b>2,507.31</b>	<b>1,633.56</b>
Profit / (loss) before finance costs, depreciation and tax	272.70	(44.54)
Less: Finance cost	491.69	437.37
Less: Depreciation & amortisation expenses	25.85	26.24
<b>Profit / (loss) before tax</b>	<b>(244.84)</b>	<b>(508.15)</b>
Less: Tax Expense	94.27	(118.55)
<b>Net profit / (loss) after tax</b>	<b>(339.11)</b>	<b>(389.60)</b>
Other comprehensive income for the year, net of tax	0.46	0.37
<b>Total comprehensive income / (loss) for the year</b>	<b>(338.65)</b>	<b>(389.23)</b>
<b>Earnings per equity share (in ₹):</b>		
Basic	(7.29)	(8.37)
Diluted	(7.29)	(8.37)
Paid-up share capital	465.40	465.40
Other equity	3,079.65	3,418.39

## THE COMPANY'S PERFORMANCE AND STATE OF AFFAIRS

The Company is one of the leading jewellery companies in the organised jewellery retail sector in India. It is engaged in the business of trade, manufacture and sale of gold, diamond, precious stone, gold and diamond studded jewellery as well as silver articles. As on March 31, 2023, the Company has total of 81 showrooms including 12 franchisee showrooms and also has 4 manufacturing units in India.

The Company offers wide range and variety of jewellery to cater not only to wedding jewellery but party and daily wear also. In view of changing trends and customers preferences, the Company keeps on

launching new jewellery designs and collections from time to time. It owns jewellery sub-brands Swarna Dharohar, Inayat and Mirosa and has launched a number of jewellery collections over the years. Some of the prominent jewellery collections of the Company are Wedding Collection, Folia Amoris, The Fluttering Beauty, Mens Collection, Diamond Mangalsutra, Watch Accessories etc.

During the year, the revenue from operations of your Company increased by almost 50% to ₹ 2,359.46 crore from ₹ 1,574.05 crore during previous year. As a result of increase in revenue, the Company's net loss decreased by almost 13% to ₹ 339.11 crore as compared to ₹ 389.60 crore during previous year.

Although the Company continues to remain loss making but its gross margins have improved to 15.62% as against 12.45% achieved during the previous year. Further, the Company has also turned EBITDA positive as on March 31, 2023 with an EBITDA of 11.56% vis a vis an EBITDA of (2.83%) as on March 31, 2022.

During the previous year, the Company's Lenders classified its accounts Non-Performing Assets ("NPA") due to default / non-payment of debt / interest etc. on account of decline in the business and revenues of the Company caused by Covid-19 pandemic. However, the Company is contesting the classification of its accounts as NPA in various legal forums and the matter is currently sub-judice.

After NPA classification, the Company approached its Lenders with a resolution proposal under the appropriate Guidelines of Reserve Bank of India. However, due to non-receipt of requisite rating from one of the Rating Agencies, the Company's resolution plan could not proceed further and State Bank of India ("SBI") moved the Debt Recovery Tribunal, Delhi ("DRT") during the year under review. In response, the Company filed an appeal with Debt Recovery Appellate Tribunal, Delhi for relief and the matter is currently sub-judice. Subsequently, Union Bank of India (with seven other banks) as well as Indian Bank also separately moved DRT and their matters are also currently sub-judice.

The Company in addition to replying suitably to the Banks, has also approached the High Court of Delhi against SBI stating that there is a non-compliance of the Principle of Natural Justice in as much as the Company was not given any opportunity to explain its case after January 2, 2023 and unilateral decision has been taken by SBI. The Hon'ble Court has accepted the Company's prayer and issued a notice to SBI, which has been accepted by their learned counsel. The Company has also filed counter claims for ₹ 10,034 crores, ₹ 16,759 crores and ₹ 2,956 crores against SBI, Union Bank (and seven other

banks) and against Indian Bank respectively, before DRT and these matters are also currently sub-judice.

Although there is no certainty either on the time frame or the end result of these on-going legal proceedings, but the Company continues to remain confident about a positive outcome of the same as well as retaining its going concern status.

## CAPITAL STRUCTURE

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

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

## DIVIDEND

The Board of Directors ("**Board**") has not recommended any dividend for the year.

## TRANSFER TO RESERVES

The Board has not proposed transfer of any amount to the reserves.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has 7 Directors comprising of 2 Executive Directors and 5 Non-Executive Independent Directors including 1 Woman Director.

During the year Smt. Sannovanda Machaiah Swathi was re-appointed as an Independent Director of the Company for second term of 5 years with effect from January 19, 2023. In the opinion of the Board, she is a person of integrity, possesses relevant expertise / experience and fulfils the conditions as per applicable laws and is independent of the management of the Company.

Shri Ramesh Kumar Sharma is liable to retire by rotation at the 18<sup>th</sup> AGM of the Company and being eligible, offered himself for re-appointment as a Director of the Company.

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, the details of Shri Ramesh Kumar Sharma form part of the Notice convening the 18<sup>th</sup> AGM.

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

## SUBSIDIARY COMPANIES

During the year under review, the Company had following wholly owned non-material subsidiaries:

- i) **PC Universal Private Limited:** It is engaged in the business of manufacturing and export of gold jewellery. It has not carried out any business operations during the year under review. However, due to other income, mainly net gain on foreign currency transactions and translations, it registered net profit of ₹ 12.55 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 ₹ 139.70 crore and it incurred net loss of ₹ 2.64 crore. It ceased to be a subsidiary of the Company in March 2023.
- iii) **Luxury Products Trendsetter Private Limited:** It is engaged in the business of manufacturing / job working and trading of jewellery. During the year under review its revenue from operations was ₹ 11.83 crore and it registered net profit of ₹ 5.61 crore.
- iv) **PCJ Gems & Jewellery Limited:** It is authorized to carry on the business of manufacturing and trading of all kinds of jewellery. However, it has not commenced business operations during the year under review.
- v) **PC Jeweller Global DMCC:** It is engaged in the business of jewellery trading. During the year under review its revenue from operations was ₹ 43.70 crore and it registered net profit of ₹ 9.92 crore.

During the year under review, no company has become subsidiary of the Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the "**Act**") a statement containing salient features of the financial statements of the subsidiaries (Form AOC-1) is annexed as "**Annexure - 1**" to this Report. Please refer Note 57 of the consolidated financial statements for the financial year ended March 31, 2023 for the details of contribution of the subsidiaries to the overall performance of the Company. The financial statements of all the subsidiaries are available on the Company's website [www.pcjeweller.com](http://www.pcjeweller.com) in Investors section.

## ASSOCIATE AND JOINT VENTURE COMPANIES

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