

# ANNUAL REPORT 2020-21



TRUST IS EVERYTHING

Established in 1993, Kalyan Jewellers is among India's largest jewellery companies, which has been built on an illustrious family legacy and decades' old industry expertise of its founder **Mr. T.S. Kalyanaraman.**

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#### Notice

## FY21 Highlights

**₹85,733 mn**  
Total Revenue

**0.81x**  
Net Debt to Equity (with GML<sup>2</sup>)

**₹6,845 mn**  
Adjusted EBITDA<sup>1</sup>

**0.31x**  
Net Debt to Equity (without GML<sup>2</sup>)

1: EBITDA adjusted for one-time write-offs, losses of ₹902 mn relating to lease terminations and provisions for impairment largely relating to the impact of COVID in the Middle East business.

2: \*GML - Gold Metal loan

## Showroom Aggregate Retail Space

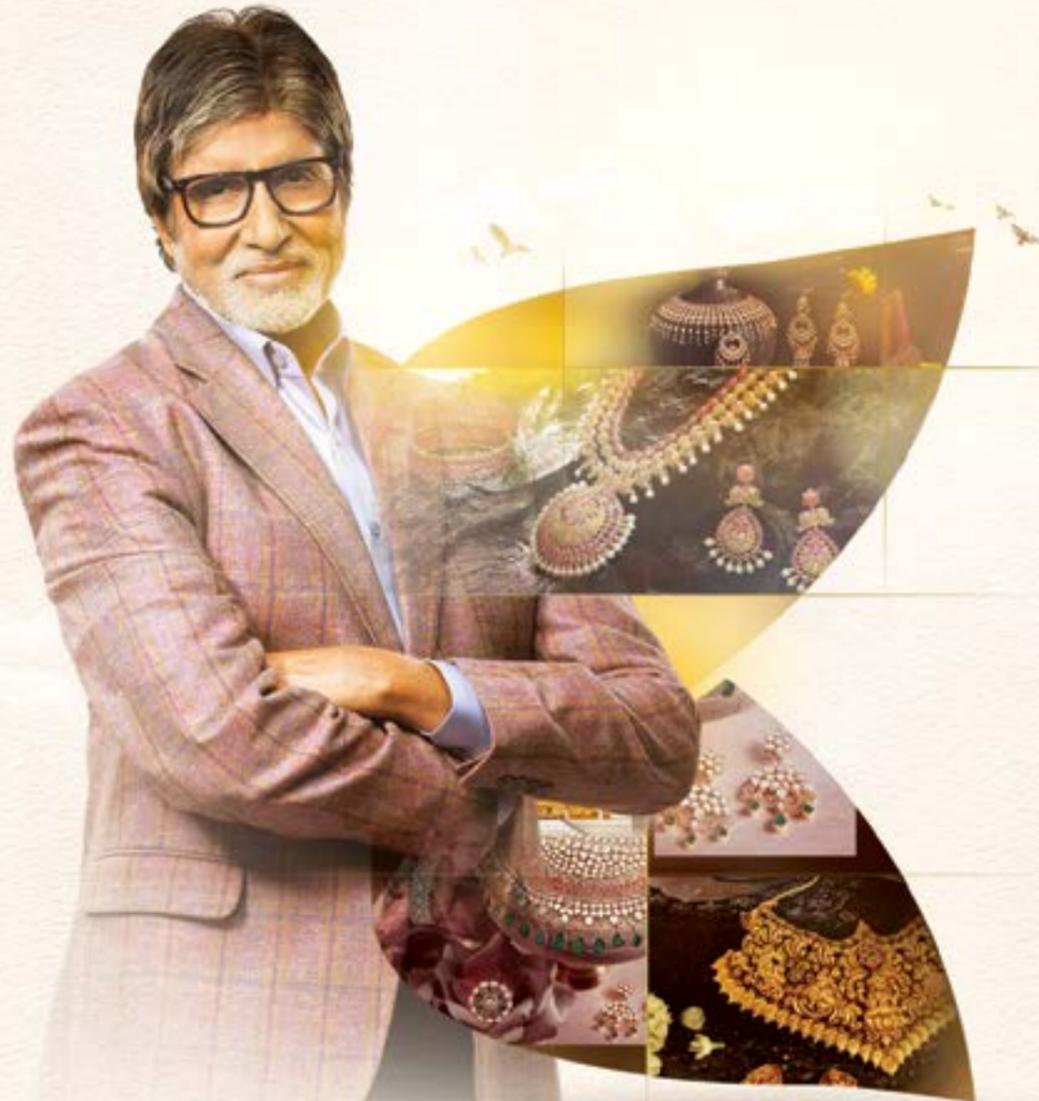
**4,90,000+ sq ft**  
Cumulative area pan-India

**38,000+ sq ft**  
Cumulative area across the Middle East



**Who We Are**

# Answer to Aspirations



**W**e have established a pan-Indian network of showrooms and look to be opportunistic in scaling operations in the Middle East.

Our hyperlocal business model enables localisation at scale, while our grassroots 'My Kalyan' network, with strong distribution capabilities, acts as a reach multiplier.

**Mission**

To give every customer much more than what he/she asks for in terms of quality, selection, value for money and customer service, by understanding local tastes and preferences and innovating constantly to eventually provide an unmatched experience in jewellery shopping.

**Offerings**

We design and market a diverse and authentic selection of gold as well as studded and other unique jewellery products across price points.

They cater to multiple use cases ranging from special occasions, such as weddings, to daily wear.

Over the years we have set the standards in transparency and consumer-friendly measures within the gold industry.

**Key Facts**

**Presence in**

**5**  
Countries

**21**  
States & Union Territories in India

**786**  
'My Kalyan' grassroots stores

**116**  
Showrooms in India

**30**  
Showrooms in Middle East

**13**  
Procurement centres

**7,479**  
Employees

**Strengths**

**Leading brand** in a large market with rapidly **increasing organised share**, driven by significant growth tailwinds



**Established Brand Built on Core Values of Trust and Transparency**, synonymous with solving key pain points of the industry



**Pan-India Presence** - One of India's largest jewellery companies with a pan-India network of showrooms



**Hyperlocal Strategy Creating Wide Market Addressability**, catering to a wide range of geographies and customer segments



**Wide Range of Product Offerings**, with sub brands targeted at a diverse set of customers



**Robust and Effective Internal Control Processes**, that leverage Information Technology and operations management systems to support a growing organisation and showroom network spanning India



**Effective Marketing and Promotion Strategy**, designed to reinforce local touch of a pan-India brand while maintaining consistent brand messaging



**Extensive Grassroots MyKalyan Network Enabling Deep Distribution**, coupled with customer outreach as a key facilitator



**Strong Promoters and Management** with demonstrated track record of value creation



**Strong Governance Framework**, including eminent Board of Directors from diverse backgrounds

Product Portfolio

# Offering the Best of Design and Finesse



Our product suite comprises jewellery for special occasions, such as weddings, to daily-wear jewellery, catering to diverse price points and preferences. Our brands have specialised shelf space in our showrooms and are promoted through different campaign approaches and thematic. We continue to strive towards expanding our branded jewellery range by engaging in focused marketing efforts for targeted customers.

Through our online platform, we cater to tech-savvy customers. We recognised early the power of engaging customers online in a digitally connected world, and thus acquired majority stake in Enovate Lifestyles Private Limited and its online platform, www.candere.com. Through this platform, our customers can purchase a wide variety of jewellery under the Candere and Kalyan brands and enrol in our purchase advance schemes.

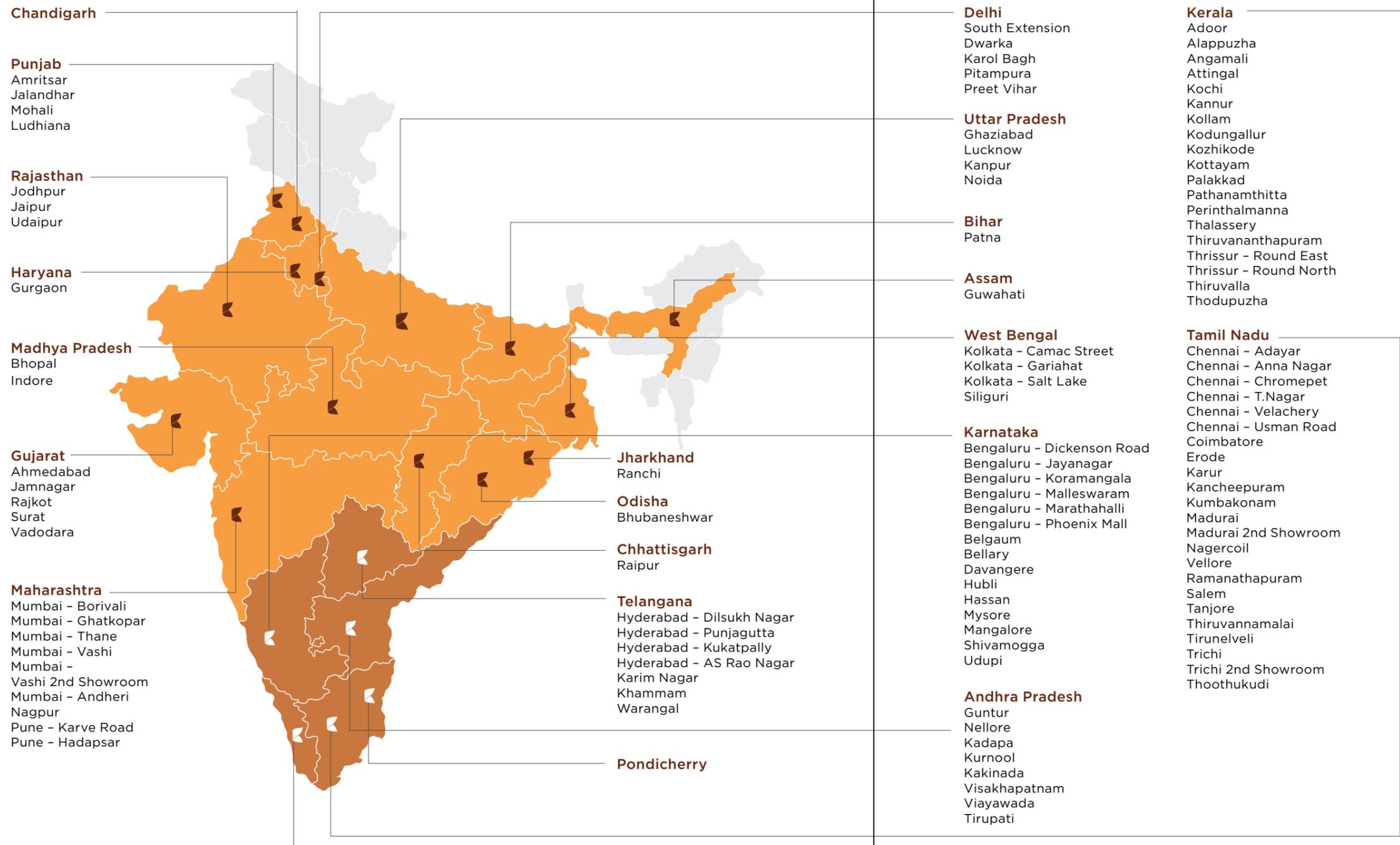
## Wide Range of Product Offerings Targeted at a Diverse Set of Customers



**Presence**

# Expanding Our Reach Across The Nation

The Company's showrooms are usually located in high-visibility, high-street areas and are generally well known by their customers in the local micro markets, and hence serve as destination stores.



Note: Map not to scale

Showroom Presence

79%

Showrooms in India

21%

Showrooms in the Middle East

Balanced Pan-India Presence

63%

South India

37%

Non-South India

34%

Metro Presence

66%

Non-Metro Presence

6%

Organised Jewellery Market Share

(As per Technopak)

## Milestones

# Charting an Exciting Path

Our legacy of trust and transparency has led to a historical growth trajectory with a core focus on building our brand and business, as well as by attracting a loyal base of customers.



## 2012

- Opened first showroom outside South India in Ahmedabad, Gujarat



## 2010

- Launched 'My Kalyan' customer outreach initiative
- Entered Telangana and Karnataka markets



## 2013

- Entered Maharashtra and the Middle East markets



## 1993

- Opened first showroom under the brand 'Kalyan Jewellers' in Thrissur, Kerala

## 2004

- Inaugurated first showroom outside Kerala, in Coimbatore, Tamil Nadu



## 2014

- Equity investment from Highdell Investment Ltd, an affiliate of Warburg Pincus, a global private equity firm
- Entered North India (Delhi) market

## 2016

- Forayed into the West Bengal and Rajasthan markets
- Launched the Kalyan Matrimony website ([www.kalyanmatrimony.com](http://www.kalyanmatrimony.com))



## 2017

- Received incremental equity investment from Highdell Investment Ltd (affiliate of Warburg Pincus)
- Purchased a stake in Enovate Lifestyles Private Limited and its online platform at [www.candere.com](http://www.candere.com)



## 2015

- Established presence in Chennai and East India (Orissa) markets



## 2018

- Entered Northeast (Assam), Chhattisgarh and Jharkhand markets

## 2019

- Entered Bihar market

# 2021

- Listed on NSE and BSE as Kalyan Jewellers India Limited through Initial Public Offering of equity shares worth ₹11,750 million



## 2020

- Reached the count of 107 showrooms in India and 30 showrooms in the Middle East

## Chairman's Message

# Delivering Against All Odds

“

I am delighted to present to you our maiden Annual Report as a publicly listed company. It was a remarkable year for us as we continued to propel our business onto newer heights of success. Our strong overall performance boosted our confidence and faith in our strategy and long-term aspirations.

”



### Dear Shareholders,

I hope you have been safe and healthy through one of the most challenging years encountered by humanity in recent history. COVID-19 birthed several difficulties for businesses around the world during the year, but we continued to perform with resilience, and responded quickly and efficiently to meet the challenges at hand. We focused on protecting our employees and our business and retained the trust of our customers and other stakeholders.

### A Challenging External Environment

The pandemic put global economies to the test. Most developed and large economies responded to it by implementing economic stimulus measures, such as liquidity support, tax cuts, and other regulatory changes. Back home, India was only just starting to recover from the crisis when the second wave upset the momentum. The Reserve Bank of India (RBI)

and the government focused their efforts on aiding economic recovery, and the measures undertaken are already yielding positive results. In the meantime, the infection curve seems to be flattening, and the strain on healthcare infrastructure is easing. The nationwide vaccination drive is also gathering steam. Keeping these developments in mind, we believe that the economy will soon be on its path towards steady growth.

Following the crisis, jewellery demand fell by 37% in FY21, but is expected to rebound and expand at a CAGR of 22% over the next four years, according to a Technopak analysis. The organised segment of the jewellery retail industry is expected to grow by 32% in FY22, while the unorganised segment is expected to shrink by 40%. It is expected that the larger players in the organised space will consolidate the

market share away from the unorganised segment because of weak balance sheets among smaller players and the sustenance difficulties they faced during the lockdowns, which severely constricted their ability to maintain operations.

The Government's efforts over the past several years in formalising the country's economy, such as initiatives to increase digitisation, implementing a goods and services tax, and announcing stricter industry quality standards, enabled established chains, such as ours, in boosting their market share. Furthermore, the recent announcements around mandatory hallmarking will standardise the purity of gold jewellery and continue to move the industry in a more structured direction, accelerating the continuing transition of business and customers from unorganised to organised jewellery. More importantly, the new regulatory framework will ensure that customers get a fair value for their new jewellery purchases as well as existing gold that has been exchanged or collateralised.

### Unshaken Commitment and Conviction

Since our inception in 1993, we have worked to establish and build on the core values of trust and transparency with a strong legacy of over 25 years in India. Following a strategic approach over the years, we expanded our presence across India and the Middle East in a phased manner. We underwent a significant expansion in recent years in an effort to capitalise on the attractive market opportunity we believe exists in the Indian jewellery industry. Our retail footprint increased from 77 showrooms as of March 31, 2015, to a total of 146 showrooms as of June 30, 2021.

We believe that we are well-positioned to compete with both organised and unorganised jewellery companies, given our localisation strategy where we tap into local demand preferences and consumer trends, while at the same time offering the product variety and store experience of a large, pan-India jeweller. We have been among the first few players who voluntarily decided to sell BIS hallmarked gold jewellery products across our showrooms. We have consistently set industry-level standards on customer experience, innovations, and transparent pricing.

Our focus on a customer-friendly model does not stop at BIS hallmarking. We introduced the concept of service centres in the jewellery industry with the My Kalyan network, which currently has 786 centres across India, employing nearly 2,688 staff, and garnering over 10 million potential customers each year.

In order to target a new generation of consumers, we started to invest in digital marketing and online sales, thereby communicating with the audience on their desired platform. However, wedding shoppers who usually make big-ticket purchases continue to prefer purchasing jewellery at offline retail stores, where we remain very strong given our extensive showroom footprint across the country.

### Trust and Performance

The past year was marked by several milestones for our Company. It was the year when we listed successfully on the Indian stock exchanges and raised ₹8,000 million via an Initial Public Offering (IPO) for expansion in India, further adding to our balance sheet strength as we look to capitalise on the market opportunity ahead of us. I would like to thank all our shareholders for their trust and confidence in us, and for joining us in our growth journey.

The year began with a severe dislocation for the entire industry as our entire store network was temporarily shut given the nationwide lockdowns. Our initial focus was on ensuring the well-being of our staff and the broader stakeholders who depend on our business. We did so by staying in close contact with our customers and finding unique ways to keep them engaged with the brand, and focusing on cost control and efficiencies.

The proactive measures adopted by the Company ensured a rapid recovery once the lockdowns were lifted. We saw a particularly rapid recovery and consequently an acceleration in our business growth. This was partly driven by the resilience of our category (particularly wedding jewellery) but more importantly given the strength of our business model and the proactive measures we took to attract footfalls back to our stores.

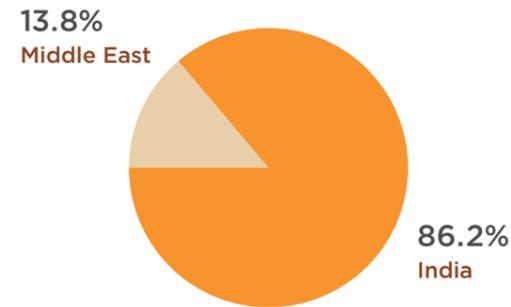
Given the new market environment, customers have increasingly opted to shopping at showrooms that took adequate safety precautions such as social distancing, sanitisation, staff testing/vaccinations. At the same time, smaller jewellers and the unorganised sector found it difficult to adapt to the new market reality. As a result, this financial year has seen an unprecedented shift of demand from the unorganised to the organised jewellery sector – and Kalyan has been a large beneficiary of this shift.

The first quarter of FY21 proved to be a total washout, given that there was complete lockdown imposed on operations and movement. By Q2 FY21, India recovered swiftly, and we achieved a turnover

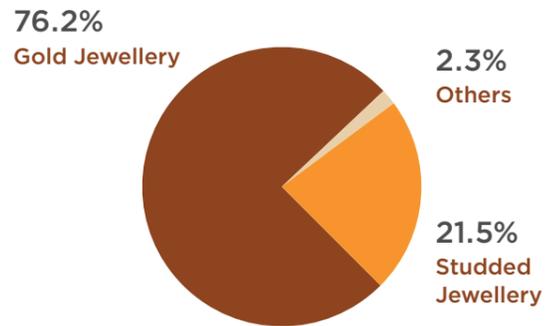


**FY21 Revenue Break-up**

**Region-wise**



**Region-wise**



of 92-93% as against Q2 FY20, with 90% of our showrooms functional. In Q3 FY21, we achieved double-digit growth, and all our showrooms were opened. In Q4 FY21, we grew by almost 61% YoY, and for the full year of FY21, we generated revenue of 93% of last year.

**₹85,733 mn**

**Total Revenue**

Overall, for FY21, our total revenue stood at ₹85,733 million, against ₹1,01,009 million in the previous year, a 15% decline, driven primarily by the dislocation relating to shut showrooms in the first quarter. For the year ending FY21, we posted a loss of ₹61 million, primarily because of a one-time write-off in the Middle East business of ₹900 million and also due to the revenue loss in Q1 FY21 because of the lockdowns. However, the India business posted a full-year profit before tax of ₹1,875 million compared to ₹2,353 million in the previous year despite the COVID-19 related dislocation.

To increase our digital footprint, we acquired Candere about four years ago and have since seen the business grow almost double every year. In FY20, our turnover was at ₹557 million, while it jumped to ₹821 million in FY21.

**Way Forward**

This year, we plan to continue to unveil a large number of showrooms, with the goal of expanding our retail footprint and making the brand more accessible to our customers. Across our showrooms, we want to continue to provide a personalised and service-oriented shopping experience for our customers and implement strict sanitary precautions to ensure consumer safety.

We believe in maintaining an enterprise-wide culture of good governance to ensure transparency and fairness in decision-making within an ethical framework that promotes responsible consideration of all stakeholders while also holding decision-makers appropriately accountable.

We are optimistic that we will be able to capitalise on the foundations that we have laid and leverage our already established processes, purchase ecosystem and market understanding to aid growth momentum.

I want to express my sincere gratitude to our colleagues for their dedication and commitment, as well. As a Company, we are gratified by the faith our stakeholders continue to show in us, and I look forward to their continued support.

Warm regards,  
**T.S. Kalyanaraman**



**COVID-19 Initiatives**

**Proactive and Decisive Measures Amidst COVID-19**

Our proactive multi-pronged response was aimed at optimising operations, maintaining financial flexibility while ensuring the health and safety of our customers and employees.

**Customer and Employee Health and Safety Measures Optimising Marketing and Operational Efficiency**



- Launched the #DosesOfTrust campaign across showrooms in India and Middle East emphasising Company's focus towards providing a safe and sterile retail experience to customers



- Deployment of 'Safety Measure Officer' across all showrooms to ensure that safety and hygiene protocols are practiced and our staff as well as customers strictly adhere to COVID-19 guidelines issued by the Company
- Strict procedures at all showrooms and facilities with staggered work shifts, safe distancing protocols, daily temperature screening and regular health checks



- Launched Muhurat At Home Campaign
- Live video shopping to help customers during periods of restriction
- Customer reach out initiatives by "My Kalyan"



- Innovative concept to address Akshay Tritiya 2020 - Kalyan Gold Certificate

## Operational Highlights

# Rowing Steadily through Troubled Times

### Successful Listing of Equity Shares

We listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) on March 26, 2021, successfully completed an Initial Public Offering (IPO).

We are backed by Highdell Investment Ltd, an affiliate of leading private equity firm Warburg Pincus. Highdell (Warburg Pincus) invested in two tranches, an investment of ₹12,000 million in 2014 and a subsequent investment of ₹5,000 million in 2017.



### India Business

Due to a Government-mandated lockdown in India, we had to temporarily close our showrooms, 'My Kalyan' centres, manufacturing facilities, procurement centres and offices between mid-March and May 2020.

In May 2020, we resumed operations, and in June 2020, we opened most of our showrooms. Our pan-India presence, strong supply chain network, and our management team's capabilities and depth enabled us to restart our operations quickly after the lockdowns eased. We leveraged our 13 procurement centres across India to direct supplies from centres that were relatively unaffected by COVID-19.

We engaged proactively with our customers to reassure them of the resilience of our brand and the business, demonstrate our commitment to restarting our operations and build confidence in the safety protocols deployed at our showrooms. As a result, we have since experienced a return of customer traffic to our showrooms. By July 2020, revenues generated from our showrooms in India that were open were broadly in line with pre-COVID-19 levels.

In the three months ending December 31, 2020, we generated revenues in our showrooms in India that were higher than pre-COVID-19 levels and the corresponding period in FY20. As a result, despite a difficult operating environment owing to COVID-19, our India business was able to generate a full-year Profit Before Tax of ₹1,875 million, compared to ₹2,353 million the prior year.

### Middle East Business

Our operations in the Middle East were similarly impacted during this period. We successfully restructured our Middle East business and were able to generate a Profit After Tax of ₹182 million in H2 FY21, versus Profit After Tax of ₹54 million in the corresponding period of the previous year, even with only -70% of the last year H2 revenues.

Given the slowdown in the general economy of the Middle East countries in which we have operations, we chose to close seven of our showrooms permanently. As of March 31, 2021, we operated 30 showrooms in the Middle East.



### Digital Business

Our e-commerce business, Candere's FY21 revenue stood at ₹821 million versus ₹557 million in the previous year, and the business turned profitable for the first time since our acquisition in 2017, posting a ₹31 million Profit After Tax versus a ₹17 million loss in the previous year. Increase in gifting trend has also led towards shift in consumer demand through online channels.

### Key Initiatives

- Introduced gold ownership certificate enabling customers to digitally own gold that can be exchanged for jewellery at a later date
- Omni-channel presence enabling customers to purchase at our physical outlets as to what they see on our online portal
- Enabled instant funds into customer bank upon sale of exchange gold
- Renewed focus on matchmaking business with our portal [www.kalyanmatrimony.com](http://www.kalyanmatrimony.com); reaching to more than 1 million customers seeking to find their life partner and leveraging our capabilities by understanding their upcoming jewellery demand



## Growth Enablers

# Enablers of Our Ambitions

**D**uring the year, we made tremendous progress across many of the core enablers of our business.

We also initiated several strategic initiatives which will underpin our performance and augment our market positioning over the long-term.

### Established Brand

[Read more on Pg. 18](#)

### 'My Kalyan' Network

[Read more on Pg. 23](#)

### Marketing and Promotion Strategy

[Read more on Pg. 20](#)

### Leveraging Digital

[Read more on Pg. 24](#)

### Hyperlocal Jeweller

[Read more on Pg. 22](#)

### Internal Process and Controls

[Read more on Pg. 25](#)



**Established Brand**

# Built on Core Values of Trust and Transparency



In the Indian jewellery sector, we have established a formidable brand that our customers associate with trust and transparency. We were one of the first jewellery companies in India to have all our jewellery BIS hallmarked and accompanied by a detailed pricing tag to aid transparency.

These initiatives, combined with our customer education and awareness campaigns on the lack of transparency in the Indian jewellery business, contributed significantly to our growth.

We are building deeper customer trust and fostering transparency through the following initiatives, which are combined with concurrent customer education and awareness campaigns through our 'My Kalyan' network.

## Key Initiatives



### BIS Hallmarked Jewellery

While selling Bureau of Indian Standards (BIS) hallmarked jewellery has been made mandatory in India in 2021, we have been selling only BIS hallmarked jewellery since introduction, which is independently verified for purity by government-approved agencies following BIS norms.



### Detailed Price Tags Segregating Various Components

Our jewellery items are accompanied by a detailed pricing tag that segregates the various components, such as metal weight, stone weight, stone price and making charges.



### Karatmeters to Verify Purity

Our showrooms offer karatmeters to allow customers to verify the purity of our gold jewellery as well as the jewellery they have previously purchased from other sources.



### Transparency in Gold Exchange

In FY21, over 30% of our revenue from operations involved customers exchanging or selling their previously purchased jewellery to us as payment for newly purchased jewellery. We deployed a transparent process for valuing such exchanges, including verifying the exchanged gold purity in front of the customer to determine its fair value.



### Product Certification

With each purchase of jewellery, we provide our customers with a four-level product certification, which assures purity, offers lifetime product maintenance, lays down exchange and buy-back terms, and provides a detailed product description.



### Relevant Staff Training

Instead of focusing on one-time sale, our sales force is educated to be honest with customers and build trust in order to provide long-term customer satisfaction and win repeat business.



## Marketing and Promotion Strategy

# Crafting Strategies to Deepen Bonds

Our marketing strategy focuses on ensuring that our brand messaging is consistent across all our communication platforms and markets. We promote our brand and products through a variety of channels, including our “My Kalyan” network, traditional media outlets, our relationships with national and regional celebrity brand ambassadors and local influencers, and Kalyan Matrimony, our online matrimonial site.

The training programme for our showroom staff and ‘My Kalyan’ personnel is designed to ensure that customers receive a uniform experience that demonstrates our unfaltering commitment to trust and transparency.



## Channels of Communication

### Brand Ambassadors

We collaborate with regional and national celebrities as well as local influencers throughout India who serve as brand ambassadors to promote our brand.

### Media and Creative Marketing

To promote our brand and product portfolio, we use a variety of media channels, including television, radio, newspapers, magazines, billboards, and the internet.

### Website and Social Media

We implement our localisation strategy through region-special offerings in our online marketing campaigns through our website [www.kalyanjewellers.net](http://www.kalyanjewellers.net) and social media platforms.

### Kalyan Matrimony Site

We are able to leverage customer data from our Kalyan Matrimony site to identify potential jewellery customers well before their wedding and to send targeted advertisements to promote brand awareness, particularly for wedding-related jewellery.

### My Kalyan Centres across India

Our “My Kalyan” locations employ dedicated “My Kalyan” employees who engage in door-to-door and other direct marketing efforts to promote our brand, showcase our product catalogue, enrol customers in our purchase advance schemes, enrich our customer database, and to help drive traffic to our showrooms.

### Collaborating for Outreach

We join forces with regional as well as national celebrities and local influencers in India who serve as brand ambassadors to promote our brand. To cater to the numerous language and cultural groups dispersed throughout India, we strike long-term partnerships with brand ambassadors across regions. Our marketing strategies include brand ambassadors, and their presence at showroom openings is intended to boost awareness of these events as major community events.

Such investments in strengthening our marketing initiatives and our brand are critical to building awareness, enjoy a loyal customer base and expand successfully across multiple geographies.

We believe that our previous efforts in brand building will help us move forward more decisively with our future expansion plans.

We have invested significantly in the promotion of our brand, particularly in new markets within India and in the Middle East.

**₹10,000+ mn**  
Marketing and Advertising investments in the last 4 years

**Hyperlocal Jeweller**

# Closer to the Customer and their Expectations

Our localisation strategy, combined with large scale of operations greatly broadens our appeal and addressability to broad segments of the Indian jewellery market, categorised by age groups, socio-economic status levels, and genders. It is also the secret to our popularity across urban, rural, and semi-urban markets. We have used this strategy successfully to expand our operations across India in an industry with different customer preferences for jewellery across regions.



**Localisation in Brand Communication and Marketing**

Our region-specific marketing initiatives include state and city-specific brand campaigns with differentiated, localised creative content and the engagement of numerous relevant brand ambassadors with national, regional, and local appeal. We select regional and local creative agencies to customise marketing and communication mediums to local preferences.



**Localisation of Our Showroom Experience for Customers**

Our localisation strategy is bolstered by a policy of hiring personnel with local language and cultural knowledge for each of our showrooms and our practice of designing showrooms to reflect local tastes and sensibilities.



**Localisation of Our Product Portfolio**

We appeal to a broad customer segment by understanding local market preferences and trends in the geographies where we operate and offer a selection of jewellery products in our showrooms tailored to such tastes. We manufacture jewellery with localised designs in accordance with the preferences we identify via our research. Our 13 procurement centres in India, located in key jewellery manufacturing regions, collaborate with local artisans at competitive rates.



**Localisation through Our 'My Kalyan' Network**

We hire 'My Kalyan' personnel who are native to the communities they serve and have the trust within community. We operate in competition with both unorganised and organised jewellers by establishing customer rapport at a local level.



**'My Kalyan' Network**

# Unique Grassroots Customer Outreach Network

Kalyan's grassroots 'My Kalyan' customer outreach network is a key component of our hyperlocal strategy, allowing us to be seen as a neighbourhood jeweller, focused on marketing and customer engagement in India's urban, semi-urban, and rural areas.

Rural and semi-urban markets account for a considerable share of India's gold jewellery demand. Our network of 'My Kalyan' centres serve as a marketing tool, helping address latent demand.



**786**  
 'My Kalyan' centres  
 (~7 centres per showroom)

**~10 mn**  
 Endeavored customer  
 connect each year

**21%**  
 Contribution to revenue  
 from operations in India

**2,688**  
 Employees

**36%**  
 of enrolment to purchase  
 advance schemes in India

**Leveraging Digital**

# Making Meaningful Strides in Digital

**W**ith growing internet penetration in India, the Indian jewellery industry has started to appreciate the need for digital transformation and has embarked on this journey. COVID-19 has propelled digital initiatives further more along with the development of omni-channel capabilities that will accommodate all combinations of online and in-store shopping experiences are now in progress.

We have consistently been focused on strengthening our digital capabilities. To that end, we have implemented a range of technologies throughout our operations with the aim of enhancing the experience of our customers and improving the efficiency of our operations. Our efforts in this direction have been detailed below.



**Rich Data Mining and Customer Insight Collection**

- Capturing customer information at a store level, running analytics and targeted campaigns
- Upselling related products at point-of-sale through instant dynamic voucher codes
- Social media mapping to enrich customer database

**Analytics-driven Customer Outreach**

- Use of a 'near me search' to drive search traffic to local store micro-sites
- Enhancing customer conversion by tracing the digital footprint

**Digitally Enabled My Kalyan Centres**

- My Kalyan staff are equipped with a robust CRM application that stores customer data and manages lead generation

**E-commerce**

- Candere - Kalyan's e-commerce site providing access to India, the US, and the UK markets (currently a separate inventory)
- Online gold ownership certificate, which customers can obtain online and redeem at the store

**Kalyan Matrimony**

- An online matchmaking site named Kalyan Matrimony at [www.kalyanmatrimony.com](http://www.kalyanmatrimony.com), enabling users to explore potential marital partners
- Leverage customer data from our Kalyan Matrimony site to identify potential jewellery customers well before their wedding and to send targeted advertisements to promote brand awareness, particularly for wedding-related jewellery

**Technology Advancements to Enhance Employee Productivity**

- Digital training programmes during the lockdown
- Customer outreach initiated during lockdown, via employee mobile app
- Employee targets and goal achievements mapped through app, ensuring transparency efficiency

**Internal Process and Controls**

# Sharpening Internal Processes and Controls

**W**e have established a robust set of operational and control processes at both the showroom and corporate levels to manage business operations and support future growth. Given the high-value nature of our jewellery, inventory management and internal audit procedures are essential to our success. We keep meticulous records of our inventory, right from the moment raw materials are procured to the time it is sold in our showrooms, including bar-coding each piece of finished goods inventory and conducting daily counts across showrooms.



**Enterprise Resource Planning System for Real-time Inventory Visibility**

These are particularly helpful during peak seasons, allowing management to respond quickly to needs of replenishing or reallocating inventory based on shifting customer demand patterns



**Strict Inventory Management and Monitoring Practices**

This helps us account for each piece of inventory and enables jewellery identification with a unique barcode linked to the central ERP system



**Regular Inventory Checks**

Conducted at the close of business at each showroom, these are monthly inventory weight verifications by regional managers/business heads



**Big 4 Auditor**

Deloitte Haskins & Sells LLP has been our Statutory Auditor since 2015



**Integrated Operations to allow Inventory Movement between Showrooms**

These are necessary to align jewellery offerings with customer preferences and accommodate variations in seasonal buying patterns



**External Environment**

# Staying in Touch with the Contemporary

The jewellery retail industry landscape is witnessing shifts that are likely to have long-term implications. Here are some key trends that will help us take advantage of opportunities and minimise business risks.

**Compulsory Hallmarking of Gold Jewellery**

Under-caratage has been a long-standing challenge for jewellery retailing in India and provided an unfair advantage to many unorganised jewellery retailers who were not required to disclose purity standards. Compulsory hallmarking, which has been effective from 2021, puts additional cost and transparency requirements on unorganised players. It will lead to a further shift of business from the unorganised to the organised jewellery segment.

**Price Transparency and Product Quality**

Indian jewellery consumers are becoming more brand conscious, and their jewellery preferences are becoming more sophisticated. Exposed to a variety of global and national brands for luxury products, these consumers expect similar transparency and product quality in India-sourced jewellery. They wish to understand the price methodology (cost of materials, such as gold, silver, and precious stones, making charges, among others) and be assured of the quality of the final product, which can be aptly handled by organised retailers only.

**India's Demographics**

India has over 65% of its population under 35 years of age and over 229 million women aged 20 to 49 years. Though gold-based wedding and daily jewellery remain the main component of their demand, these consumers are influenced by global trends and seek studded jewellery, better designs and triggers for purchases that average out throughout the year (for instance, gifting). They are better aware and are on the lookout for unmatched quality, authenticity, and purity of jewellery. These shifting consumer trends offer natural advantages to organised players who can cater to these needs.

**Service Expectations**

Jewellery represents an asset with lifetime ownership and tacitly acts as an investment asset. Customers expect after-sales service, such as product buybacks at a reasonable market price, billing transparency, and product customisation to back up their jewellery purchases. This entails the provision of services in addition to product retailing, and organised players are better positioned to bundle these services to meet this demand. Also, organised jewellers offer ready-made products, which eliminates wait time for customers.

**Changing Consumer Preference towards Branded Jewellery**

Organised jewellery retailing has been on a sustained brand building trajectory since 2000. Jewellery retailers are adopting a multi-pronged marketing approach that leverages social media, print, television, PR, and radio. Organised retailers have successfully used this approach to educate customers about purity, transparency, and trust. It has helped them capture the growing incremental demand. Consumers also tend to choose brands that reflect their aspirations.

**Retailing Experience**

Today, organised jewellery retailing entails ready-made ornaments, a diverse product range with a variety of designs and selections, and a superior showroom experience that aligns with increasing consumer expectations. As a result of its ability to provide a superior retailing experience, demand for jewellery has shifted in its favour.



## Kalyan's Approach



**BIS hallmarking of gold jewellery made compulsory even before regulatory mandate**



**Price tags detailing components aid price transparency before customers**



**Karatmeters to verify purity of gold jewellery**



**Transparent exchange process; valuation and verification of purity in front of the customer**



**Product certification with guarantee of purity, lifetime maintenance, exchange and buy back**



**Investment in digital marketing and online sales through our e-commerce business - Candere**



**Constant focus on launching new sub-brands**



**Customer education campaigns**

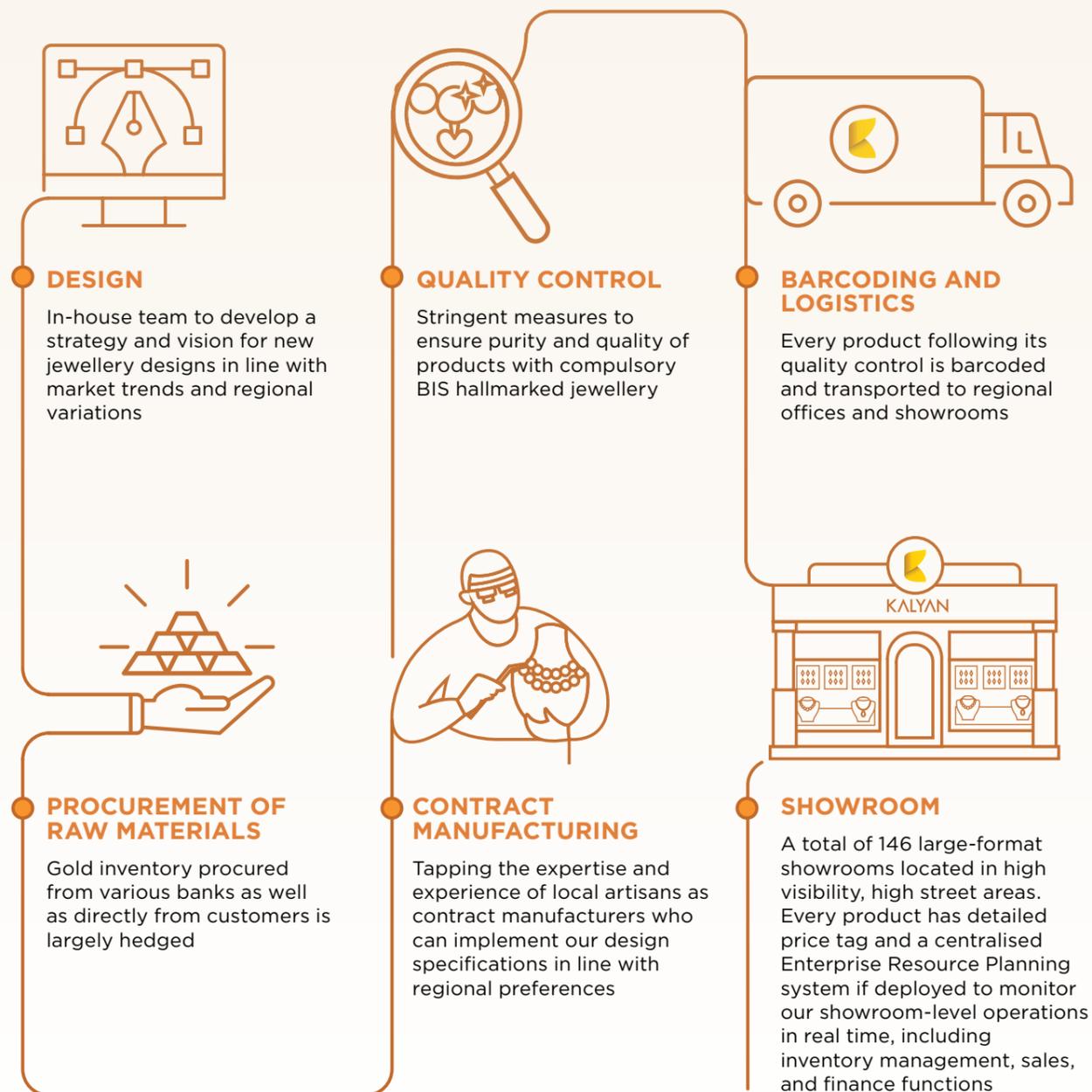


**After-sales service and staff training to drive customer satisfaction and win repeat business**

Value Chain Process

# Deepening Synergy through Integrated Processes

Our integrated process leverages our unique value drivers to deliver customer trust, provide high-quality products and services, and create value for stakeholders responsibly and sustainably.



Strategic Priorities

# Delivering on Our Promises

Our strategic priorities help us define a clear way forward in achieving holistic and consistent progress and we are focused on balancing and driving business growth and expansion across markets. Our aim is to deliver strong returns to shareholders and provide a long-term stable growth path.

Long-term Objectives	Progress Made During the Year	Priorities
Leverage scalable business model to expand showroom network and diversify distribution channels	Launched 9 showrooms in India during April 2021 taking the total number of showrooms to 146  Video shopping was introduced as another digital channel enabling customers to shop from their home without compromising on the two-way interaction with the sales staff	Strong brand, scalable business model, effective operational processes, and proven track record of profitable expansion, positions us well to capitalise on the market opportunity arising from continued shift in demand in favour of organised jewellery companies
Widen product offerings to increase consumer reach	We launched Ameya, a celebration wear line, featuring hand crafted jewellery, set with precious stones	Continue to increase focus on higher-margin, studded jewellery and explore opportunities to expand range of sub brands to introduce new branded jewellery lines targeted at both specific customer niches as well as the luxury market
Leverage 'My Kalyan' network to deepen customer outreach and strengthen distribution in core markets	Added 20 MyKalyan centres during 2021 taking the total number of MyKalyan centres to 786 as on 30 <sup>th</sup> June 2021	Expand "My Kalyan" network in areas where we are currently underpenetrated, relative to the scale of the latent demand opportunity in those particular markets
Invest In CRM, marketing, and analytics to effectively target more consumers and drive sales	We completed transitioning to a new CRM platform and have relaunched our loyalty programme, Kalyan Rewards	Invest in CRM, campaigns, and technologies to analyse and manage customer interactions and related data throughout the customer lifecycle, with a goal of creating a long-term relationship with customers, building customer retention, and driving sales



**Governance and Ethics**

# Demonstrating Discipline and Positive Ethics

**W**e conduct our business affairs in transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behaviour in the organisation. We are committed to operate and grow our business in a socially responsible way, ensuring the creation of long-term value for our stakeholders.

The corporate governance framework of our Company is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees, thereof, each as required under applicable law.

Our Board comprises ten directors, including five Independent Directors, three Executive Directors, and two Non-Executive Directors (one of whom is a Nominee Director). In compliance with the provisions of the Companies Act, at least two-third of our directors, other than our Independent Directors, are liable to retire by rotation.

**Board Demographics**

The members of our Board bring a variety of backgrounds, qualifications, skills, and experiences that contribute to a well-rounded Board, which is uniquely positioned to guide our strategy and oversee our operations in a rapidly evolving industry.

**Highly Engaged Board Actively Involved in Strategic Decisions**

**100%**  
overall attendance  
rate at Board and Board committee meetings

**13**  
Board Committee meetings during FY21

**59 years**  
Median Director age

**5 years**  
Median Director tenure

**5 years**  
Term limit for Independent Directors

**70%**  
of Directors have been with the Company for the last 5 years



**Key Functions of the Board to Ensure Best-In-Class Governance Practices**

- Review the business strategy and operational plans developed by the management
- Provide oversight on corporate governance practices
- Monitor and review management performance
- Review the risk management approach
- Discharge statutory or contractual responsibilities
- Oversee the reliability of external communications
- Supervise the process for compliance with laws and regulations
- Monitor and review the Board evaluation framework

**Relevant Skills and Expertise**

Our Directors bring on board an effective blend of distinguished leadership qualities, diverse perspectives, strategic skill sets and professional experience relevant to our business and strategic objectives. Diversity and inclusion are values embedded in our culture and fundamental to our business.

**5/10**  
Directors with retail experience

**5/10**  
Directors with marketing and brand management experience

**10/10**  
Directors with global/international business experience

**10/10**  
Directors with senior leadership experience

**10/10**  
Directors with regulatory, legal or risk management experience

**7/10**  
Directors with finance, accounting, or financial reporting experience



## Board of Directors

# Strong Governance form a Diverse Board



**MR. T.S. KALYANARAMAN**  
Chairman and Managing Director

- ~46 years retail experience
- ~26 years in the jewellery industry
- With Kalyan since inception



**MR. T.K. SEETHARAM**  
Whole-time Director

- MBA from Bharathiar University, Coimbatore
- ~23 years in the jewellery industry
- ~23 years with Kalyan



**MR. T.K. RAMESH**  
Whole-time Director

- Master's degree in commerce from the Karnataka State University
- ~21 years in the jewellery industry
- ~21 years with Kalyan



**MS. KISHORI JAYENDRA UDESHI**  
Independent Director

- Several years of experience in policy and banking sectors
- First woman Deputy Governor of RBI and Director of RBI to be nominated on Board of State Bank of India



**MR. ANIL SADASIVAN NAIR**  
Independent Director

- ~20 years of experience in the field of advertising
- Former CEO & Managing Partner of Law & Kenneth Saatchi & Saatchi



**MR. SALIL NAIR**  
Non-Executive Director

- ~24 years of experience in the retail industry
- Former CEO of Shoppers Stop



**MR. ANISH KUMAR SARAF**  
Non-Executive Director, Highdell Nominee Director

- Highdell Nominee Director
- Managing Director at Warburg Pincus, India



**MR. AGNIHOTRA DAKSHINA MURTY CHAVALI**  
Independent Director

- ~37 years of experience in the banking sector
- Former Executive Director of Indian Overseas Bank



**MR. MAHALINGAM RAMASWAMY**  
Independent Director

- ~36 years of experience in the banking sector
- Former Managing Director of State Bank of Travancore



**MR. T.S. ANANTHARAMAN**  
Independent Director

- Several years of experience in banking, teaching management and accounting
- Former Chairman of The Catholic Syrian Bank

- (A) Audit Committee
- (N) Nomination and Remuneration Committee
- (C) Corporate Social Responsibility Committee
- (S) Stakeholders Relationship Committee
- (R) Risk Management Committee
- Chairman
- Member



**Leadership Team**

# A Company Led by Experience and Expertise



**MR. SANJAY RAGHURAMAN**  
Chief Executive Officer

- Qualified CA and ICWA
- 9+ years with Kalyan, 15 years prior experience in retail, financial services and operations
- Previously worked with HDB Financial Services, Wipro and Clix Capital



**MR. V. SWAMINATHAN**  
Chief Financial Officer

- Bachelor's in science from University of Madras, CA
- 5+ years with Kalyan
- -27 years of experience in finance, corporate planning and control



**MR. SANJAY MEHROTTRA**  
Head of Strategy and Corporate Affairs

- Master's in management studies
- 3+ years with Kalyan
- -27 years of experience in Indian capital markets



**MR. ABRAHAM GEORGE**  
Head of Treasury and Investor Relations

- MBA from ICFAI University and Bachelor's in commerce
- 4+ years with Kalyan
- -17 years of experience in finance and capital markets



**MR. ARUN SANKAR**  
Head of Technology

- Master of Technology (Computer Science) and engineering and a Master of Science (integrated) in Software Engineering
- 7+ years with Kalyan
- -14 years of experience in the technology sector



**MR. RAJESH R**  
Head of Legal and Compliance

- Bachelor of law and enrolled with Bar Council of Kerala
- -2 year with Kalyan
- -14 years of experience in legal industry



**MR. JISHNU R. G.**  
Company Secretary & Compliance Officer

- Bachelor of Commerce and Company Secretary
- 2+ years with Kalyan
- 8 years experience in corporate compliance



**Risk Management**

# Safeguarding against Variabilities

Risks are an integral part of any business environment, and organisations must develop systems capable of identifying and reducing risks on a continuous basis. Our robust risk management process and framework is compiled by the Company's Board, which meets regularly to review risks and progress against planned actions. Through this approach, the Board seeks to identify and evaluate business risks and challenges across the Company.

**Our Risk Management Process Aims to:**

- 1 Improve financial risk awareness and risk transparency
- 2 Identify, control, and monitor key risks
- 3 Identify risk accumulations
- 4 Manage and disseminate reliable information on the group's risk situation
- 5 Improve financial returns

Risks	Exposure Arising From	Risk Mitigation Strategy
<b>Market Risk - Prices</b>	Gold price fluctuations arising on purchase/sale of gold	Employed a combination of gold metal loans and other derivative instruments like Future, Options contracts to manage the fluctuations in the price of gold.
<b>Market Risk - Foreign Exchange</b>	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Periodic review by management
<b>Credit Risk</b>	Cash and cash equivalents, trade receivables, derivative financial instruments, and other financial assets	Retail credit risk is not a material risk as the Company does not sell goods on credit, in normal course of business. Credit risk on financial instruments is minimised to the extent that the Company only deals with counterparties that are Banks
<b>Liquidity Risk</b>	Borrowings as well as holdings of liquid cash and funds.	The Company has adequate working capital limits available with commercial banks. The Company also has a policy of keeping liquid funds to the extent that are adequate to meet expenses for a quarter. These are held in our Banks

**CSR Initiatives**

# Building Value for the Larger Society

Over the past 25 years, we have worked to create a retail brand and a company that 'cares'. Our Corporate Social Responsibility programme aims to have a positive impact in the communities where we operate. With regards to housing development, education, and community healthcare in semi-urban and rural areas, we are multiplying our efforts to deepen our customer connect and localisation.



**Support to Schools and Education Institutions**

We strongly believe that schools should be equipped with the basic infrastructure and facilities that can mould their students into the future's top talents. As part of this, we have been supporting the development of basic infrastructure requirements of many schools and Education Trusts in Kerala, including Devamatha Public School Trust, Vivekananda Educational and Cultural Charitable Trust, Bharatheeya Vidya Nikethan, Government Rajas Higher Secondary School, Bharatheeya Vidya Nikethan, Govt L.P School, Muktattukara and many more.

**Education Support and Skill Development Programmes**

As a socially committed and responsible team of professionals, we have been contributing towards the upliftment of underprivileged children around us. Our education support programmes aim to empower these children by equipping them with vocational skills that would help them find suitable and rewarding jobs in their life ahead.

**Education Sponsorships to Children**

We took various initiatives to execute an Education Sponsorship Programme for children across cities in Kerala. These projects provide financial assistance to the economically backward children of society. We collaborated with Blooms School, Sevasadanam and various other special schools to support financial aid for the differently abled children. We also undertook the education expenses of many children in various places.



₹30 mn

towards Bhoomigeetham flagship CSR project of Kalyan for Housing

**Habitat for Humanity India Trust**

Habitat for Humanity is a global non-profit organisation providing low-cost housing solutions to the economically weaker sections of society. Habitat in India completed 27 years in operation, and has helped build 40,000 homes across the country, sheltering 2,00,000 people by leveraging support from individuals, corporates, and governments.

**Healthcare and Medical Programmes**

Keeping in mind the health requirements of the underprivileged sections of society, we created awareness on diseases, access to primary healthcare with the assurance of timely diagnosis and making the availability of life-saving medication easy for them. We undertook many projects and programmes in healthcare. Major beneficiaries include Shivasramam Shirdhisai Mission Trust, Snehithan Swayam sahaya Amithi, Alpha Palliatives, Cochin Cancer Society, Alpha Charitable Trust, AMALA Cancer Hospital Society, Amala Institute of Medical Science, Calicut Medical College, among others. Apart from this, we also directly undertook the medical expenses of economically backward groups based on the references and requests received from the public.

**Home for Homeless**

We started the Home for Homeless campaign, which proposes the construction of 10 flats in Thrissur for the economically backward populace in the adjoining areas.

₹10 mn

towards the Home for Homeless initiative



**Flood Relief Support through CMDRF**

We are among the largest contributors to CMDRF in Kerala, investing -₹15 million to CMDRF during the floods in Kerala, besides distributing other relief materials. We contributed to the Mathrubhumi Charitable trust for the 'Snehabhoomi Project' to construct houses for flood victims in Wayanad - Kerala.

~₹15 mn

towards Flood Relief support through CMDRF in Kerala

**Contributions towards Development of the State**

As a responsible business, we have constantly strived to contribute to the financial development of the state. Major projects undertaken are listed below:

**Bhoomigeetham Project:** This has been one of our flagship CSR projects in association with the Kerala State Government to construct 24 flats for the economically backward society. We received many positive acknowledgements for the successful completion of the said project.

₹3.5 mn

towards 'Snehabhoomi Project' for the construction of houses for flood victims in Wayanad - Kerala.

## Management Discussion and Analysis

### Economic Overview

The global economy has been significantly impacted by the outbreak of the COVID-19 pandemic and resulted in contraction across leading and emerging economies alike. Although, there have been marked signs of recovery throughout the second half of 2020, the recovery momentum is dependent on the success of the vaccination drives and additional policy support. However, slow vaccine rollout, virus mutations and premature withdrawal of stimulus measures could worsen the situation. The International Monetary Fund has projected the global economy to grow at 5.5% in 2021.

India's real GDP contracted by 7.3% in FY21, compared to a growth rate of 4.2% in FY20. The pandemic led to a nation-wide lockdown, which was one of the strictest, globally. GDP contracted by -24% in Q1 of FY21 as most of the economic activity came to a halt between April and May. India witnessed a gradual resumption of economic activity Q2 of FY21 onwards, driven partly by government spending on infrastructure, exports, and rural economy. Growth in H2 of FY21 picked up pace with consumption demand driven in parts by festive buying, coupled with the return of urban consumption. Most high-frequency economic indicators now depict a V-shaped recovery.

### Outlook

India is expected to witness a full economic recovery in H2 of FY22 and is projected to grow by -9.5% in FY22. This growth will be backed by ongoing vaccination drives supporting current recovery momentum; the resumption of the investment cycle with significant spending on infrastructure; and continued recovery in consumption supported by urban demand, accentuated by work-from-home and preferences for personal mobility along with rising rural incomes and affordability. Risks include continued rise in commodity prices, inflationary pressures leading to pre-emptive monetary policy tightening and changes in global risk sentiment due to disruptive shift in the US Fed's monetary policy. Normal growth levels will be recorded only by FY23, provided no further economic disruption occurs and the vaccination drive achieves its target.

### Jewellery Industry Overview

India is the second-largest gold market in the world, according to a Technopak report. Jewellery in India is a large and attractive market with significant tailwinds.

Jewellery consumption in India is influenced by region, income, and cultural beliefs, and it differs widely across states. Customer service expectation also varies from one region to other.

**2nd largest gold market in the world is India**

**70%**

Share of gold jewellery in total gold demand

**\$89 bn**

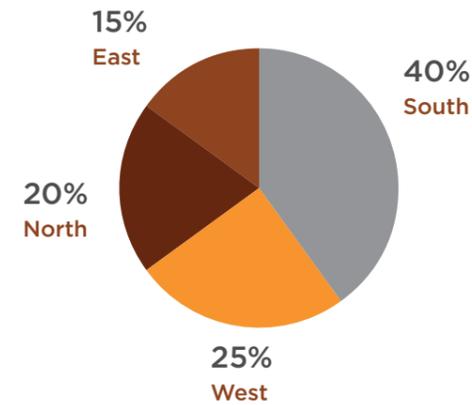
Indian jewellery industry expected to grow by FY25

(Source: Technopak Report)

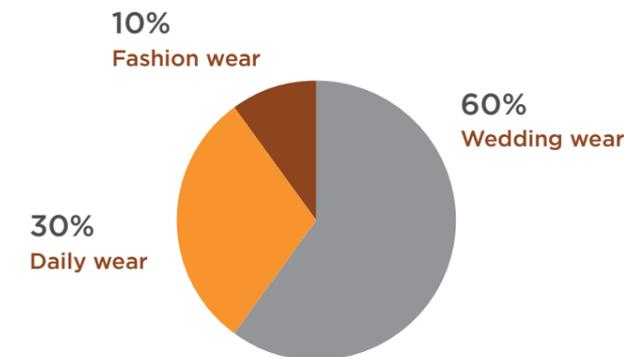
Due to the COVID-19 crisis, consumption priorities have changed and are now majorly skewed toward need-based products and services. Seasonality in jewellery buying is another factor that influences demand heterogeneity in India.

With emerging sub-segments, gold will continue to have a strong influence in Indian jewellery. Pure gold jewellery is seen to have an intrinsic value and, therefore, is likely to get less impacted. Additionally, the wedding-related jewellery market will continue rising.

### South Constitutes Largest Pie in the Indian Jewellery Market



### Wedding Jewellery Dominates the Industry



(Source: Technopak Report)

### Key Trends Shaping the Indian Jewellery Industry:

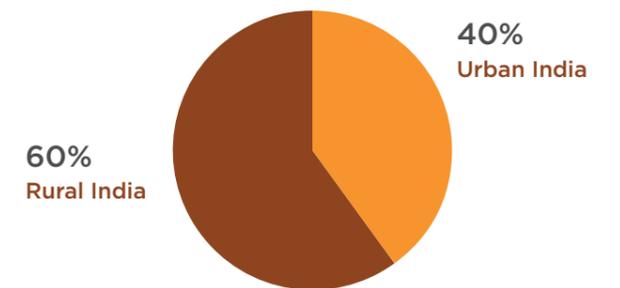
- Heterogeneous demand that is influenced by strong regional preferences
- Transition of jewellery retail to organised retail likely to continue
- An existing and marked rural-urban divide with regards to jewellery consumption in India
- Strong influence of gold in Indian jewellery to continue with emerging sub-segments
- Rise in e-commerce complementing brick and mortar jewellery retail

- Changing consumer preferences and increased brand consciousness
- Superior showroom experience that matches up to changing consumer expectations
- Robust regulatory framework and government initiatives, such as mandatory hallmarking of gold jewellery to ensure price transparency

### Accelerated Growth of Organised Jewellery Retail

The share of organised retail in rural jewellery continues to be low, but since gold ownership is higher in rural India, the share of organised market will continue to rise with the growing income levels of rural India. Shifting consumer behaviour, superior organisational skills, and supportive regulatory and legislative changes are the primary structural growth drivers within the organised jewellery market.

### Gold Jewellery Demand and Ownership is Higher in Rural India and Rises with Income Levels



### Rising Share of Organised Retail in Jewellery

	2000	2007	2020	2025P
Unorganised	95%	94%	68%	60%
Organised	5%	6%	32%	40%

(Source: Technopak Report)

### Outlook

In the last 13 years, organised retail has captured incremental category demand and succeeded in shifting demand away from unorganised retail in its favour. This trend is expected to continue in the post-COVID-19 phase in a much more consolidated manner.

Evolving consumer behaviour is being driven by a growing number of millennials in the target consumer segment. India has one of the youngest populations globally, compared to other leading economies. The



younger segment of the population is naturally pre-disposed to adopting new trends due to their exposure to media and technology. This presents an opportunity for domestic consumption in the form of branded products and organised retail. Online penetration of organised jewellery retail is likely to multiply over time.

### Company Overview

We are one of the largest jewellery companies in India, founded by Mr. T. S. Kalyanaraman with 45 years of rich experience in the retail industry, of which over 25 years was dedicated to the jewellery industry. We design, manufacture, and sell a wide range of gold, studded and other jewellery products across various price points ranging from jewellery for special occasions, such as weddings, which is our highest-selling product category, to daily-wear jewellery. We have since expanded to become a pan-India jewellery brand, with 116 showrooms located across 21 states and union territories in India. We also have an international presence with 30 showrooms located in the Middle East (As of June 30, 2021).

### Key Competitive Strengths

- Hyperlocal jeweller enabling the ability to cater to a wide range of geographies and customer segments
- Established brand built on the core values of trust and transparency
- Wide range of product offerings
- Extensive grassroots 'My Kalyan' customer outreach network with strong distribution capabilities paving way for deep relationships with the consumer
- Robust and effective information technology, internal control, and operational management systems to support a growing organisation and showroom network, with a pan-India presence
- Experienced Board of Directors and senior leadership team

### Operational Performance

FY21 was a successful year for us despite challenges birthed by the pandemic. The year began with a severe dislocation for the entire industry as our entire store network was temporarily shut given the nationwide lockdowns. Our foremost focus was on ensuring the well-being of our staff and the broader cross-section of stakeholders who depend on our business. We remained in close touch with our customers and found unique ways to keep them engaged with the brand. We also prioritised cost control and efficiency multiplying interventions.

The proactive measures adopted by us ensured rapid recovery once the lockdowns were lifted. We witnessed swift recovery, and consequently an acceleration in our business growth, in part driven by the resilience of our category (particularly wedding jewellery), but more

importantly given the strength of our business model and the proactive measures we took to attract footfalls back to our stores. Given the new market environment, customers have increasingly opted to shop at showrooms that took adequate safety precautions, such as social distancing, sanitisation, staff testing/vaccinations. At the same time, smaller jewellers and the unorganised sector found it difficult to adapt to the new market reality. As a result, this financial year has seen an unprecedented shift of demand from the unorganised to the organised jewellery sector – and we have been a major beneficiary in this shift. In India, revenue growth for H2 FY21 was 28.3% with 27.8% SSSG (Same Store Sales Growth) and 60.6% with 60.5% SSSG for Q4, compared to the respective periods in the previous year.

The impact of the pandemic, particularly the first wave, was more severe on our business in the Middle East as there were major disruptions to both tourist traffic around the region as well as in local spends for large parts of the financial year. Consequently, we chose to permanently close seven of our showrooms in the region during the year.

We have been proactive about embracing technology to better serve our customers and broader stakeholders. During the last financial year, we took measures to synergise our online and offline infrastructure to further enhance our PhyGital capabilities. Launch of gold ownership certificate, enabling consumers to purchase gold especially during auspicious days from the comfort of their homes and later redeem the same at our showrooms, as well as launch of video shopping were some examples of initiatives that were well accepted measures among our consumers. Candere.com, our online store has over 3 lakh customers, and the channel witnessed a growth of 47% in revenue from ₹557 million in FY20 to ₹821 million in FY21, as a result of the disruptions in the business experienced during the first quarter due to the outbreak.

Implementation of compulsory hallmarking by the Government of India during the recent quarter has been a landmark event in the evolution of organised jewellery retailing in India. We, at Kalyan Jewellers, have consistently championed the importance of BIS hallmarking and have been one of the early pioneers in voluntarily having all of our jewellery BIS hallmarked, independent of government mandate. We expect mandatory hallmarking will standardise the purity of gold jewellery and bring further structure and transparency to the industry, which will accelerate consumer demand shift from unorganised businesses to organised players.

Overall, we believe that we have strengthened our competitive position across diverse geographies of our operation and this positions us well within these markets for the future. We ended FY21 with a significant milestone, having successfully completed our initial public offering, further adding to our balance sheet strength as we look to capitalise on the market opportunity ahead of us.

## Financial Highlights

### Profit & Loss Summary

Year	₹ in mn		
	FY21	FY20	Growth (%)
Revenue from operations	85,733.05	1,01,009.18	(15.1%)
EBITDA	5,943.06	7,602.70	(21.8%)
Profit Before Tax	393.57	2,208.87	(82.2%)
Profit/(loss) After Tax	(60.73)	1,422.75	(104.3%)

### Revenue from Operations

Revenue from operations decreased by 15.1% to ₹85,733.05 million in FY21. This decrease was primarily on account of COVID-19 related lockdowns across India and the Middle East during the first quarter of the financial year. We saw a significant acceleration in our business growth over the course of the year culminating in a 42.8% revenue growth on a consolidated basis in the last quarter (Q4) of the financial year versus the prior year comparable period.

### Cost of Sales

Cost of sales decreased by 15.2% to ₹71,141.1 as compared with the previous financial year. This is primarily in line with the decrease in revenue from operations.

### Employee Expenses

Employee expenses decreased from ₹3,572.3 million in FY20, to ₹3,315.3 million in FY21. During the period over the past several years where we expanded into new states within India and new countries within the Middle East, we level employees ahead of our expansion as our growth necessitated maintaining additional bench staff. Upon completion of the expansion into most of the key states in the country and most of the target countries in the Middle East, we reduced the bench strength by moderating pace

of new recruitment. Attrition rate for the Company has remained at similar levels during the financial year. Additionally, a portion of our employee remuneration is in the nature of sales incentive and as the revenue decreased, there was a commensurate decrease in the employee incentives. However, employee expenses as a percentage of revenue have increased from 3.5% in FY20 to 3.9% in FY21.

### Other Expenses

Other expenses include advertisement, sales promotion and other administrative expenses which stood at ₹5,333.57 million in FY21 against ₹5,916.55 million in the previous year FY20. As a percent of revenue, other expenses are at 6.2% of revenue, as compared to 5.9% in previous year. Other expenses also include ₹901.5 million of one-time write-offs, losses relating to lease terminations and provisions for impairment of right of use assets largely relating to the impact of COVID in the Middle East business.

### Net Profit

Our net loss was ₹60.7 million in FY21, swinging from a net profit in the prior year. This was due to the revenue loss on account of COVID-19 related lockdown across India and Middle East during the first quarter of the financial year and also due to the one-time write-offs.

### Balance Sheet Summary

Particulars (₹ in mn)	As on	
	31.03.2021	31.03.2020
<b>Equity and liabilities</b>		
Equity share capital	10,300.53	8,392.42
Compulsorily convertible preference share capital	-	1,190.48
Other equity	17,959.77	12,028.20
Non-controlling interests	4.96	(30.31)
Non-current liabilities	6,666.08	7,829.22
Current liabilities	53,719.94	52,776.79
<b>Total</b>	<b>88,651.28</b>	<b>82,186.80</b>
<b>Assets</b>		
Non-current assets	2,031.09	1,286.67
Fixed assets	19,517.43	21,916.20
Current assets	67,102.76	58,983.93
<b>Total</b>	<b>88,651.28</b>	<b>82,186.80</b>



## Equity Share Capital

The equity share capital of the Company increased to ₹10,300.5 million in FY21 from ₹8,392.42 million in FY20.

During the financial year, the Company successfully completed its Initial Public Offering (IPO) and raised ₹8,000 million (including securities premium) of primary capital for the Company. Also, during the last financial year, the Company converted all the Compulsorily Convertible Preference Shares to equity shares.

## Debt

Particulars (₹ in mn)	As on 31.03.2021	As on 31.03.2020	Change
<b>Borrowings</b>			
Long-term borrowings	201.49	848.38	(646.89)
Current maturities of LTB	1,595.09	501.20	1,093.89
Short-term borrowings	17,803.56	23,382.09	(5,578.53)

We availed a moratorium for some of our borrowings, which was extended by certain banks due to COVID-19, being provided with a repayment term ranging from 12 to 16 months.

## Key Ratios

	As on 31.03.2021	As on 31.03.2020
Inventory turnover	1.71	2.19
Interest coverage ratio	1.58	2.00
Current ratio	1.25	1.12
Net debt equity ratio <sup>1</sup>	0.81	1.34
Operating profit margin (EBIDTA) %	6.9%	7.5%
Return on Equity	(0.3%)	7.0%
Return on Capital Employed	7.0%	10.0%

1. Net debt includes gold metal loan. FY21 net debt does not include benefit from IPO equity infusion

### i. Inventory Turnover

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing revenue from operations by average inventory.

### ii. Interest Coverage Ratio

Interest Coverage Ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing EBITD by finance cost.

### iii. Current Ratio

Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

### iv. Net Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total liabilities adjusted for the balance available in cash and cash equivalents and other bank balances by its shareholder's equity.

### v. Operating Profit Margin (EBIDTA) (%)

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company earns from its operations. It is calculated by dividing the EBIDTA by turnover.

The operating profit margin decreased during the current year due to lockdowns across various geographies where we are operating in the first quarter of the financial year, and also one-time write-offs, losses relating to lease terminations and provisions for impairment of right of use assets largely related to the impact of the pandemic in the Middle East business amounting to ₹901.51 million.

## Cautionary Statement

Certain statements in this Report describing our objectives, projections, estimates, expectations, or predictions may be forward-looking statements within the meaning of applicable securities, laws, and regulations. Although the expectations are based on reasonable assumptions, actual results could materially differ from those expressed or implied.

## Board's Report

To the Members of  
**Kalyan Jewellers India Limited**

Your Directors take pleasure in submitting the 13<sup>th</sup> Annual Report of the business and operations of your Company and the audited financial statements for the financial year ended March 31, 2021.

## Financial Results

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	73,783.77	79,441.22	86,186.74	1,01,810.16
Total Expenses	71,908.92	77,087.96	85,793.17	99,601.29
Profit before tax	1,874.85	2,353.26	393.57	2,208.87
Tax expense	492.53	789.75	454.30	786.12
Profit for the year	1,382.32	1,563.51	(60.73)	1,422.75

## Standalone Financial Results

During the Financial Year (FY) 2020-21, the Company has achieved a total income of ₹73,783.77 million as compared to ₹79,441.22 million in FY2019-20. The profit before tax for FY2020-21 stood at ₹1,874.85 million compared to ₹2,353.26 million achieved in FY2019-20. The profit after tax stood at ₹1,382.32 million for FY2020-21 as compared to ₹1,563.51 million for the previous year.

## Consolidated Financial Results:

The Company's consolidated total income for FY2020-21 was ₹86,186.74 million as compared to ₹1,01,810.16 million for the previous year.

## 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

## Dividend

The Directors wish to invest the profits back into the Company for further growth and expansion, and therefore did not recommend any Equity dividend for the FY2020-21. Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy duly approved by the Board is available on the website of the Company and can be accessed at [www.kalyanjewellers.net](http://www.kalyanjewellers.net).

## Transfer to General Reserve

No amount has been transferred to the General Reserve for the financial year 2020-21.

## Transfer of Unclaimed Dividend to the IEPF

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection

Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). In terms of the foregoing provisions of the Act, there is no dividend which remains outstanding or remain to be paid & require to be transferred to the IEPF by the Company during the year ended March 31, 2021.

## Share Capital

During the year under review, your Company successfully completed its Initial Public Offer ('IPO') of 135,057,470 equity shares at ₹87/- (including a share premium of ₹77) per equity share of ₹10 each. Employees were offered the equity shares at a discount of ₹8 per equity share at an offer price of ₹79 per share on 229,885 equity shares. IPO included fresh issue of 91,954,022 Equity Shares of ₹10 each for raising funds for the Company to the tune of ₹7,998.16 million and an offer for sale of 43,103,448 Equity Shares of face value of ₹10 each of the Company. The shares of the Company listed at both BSE & NSE w.e.f March 26, 2021.

The authorised capital of the Company increased from ₹14,005 million to ₹20,005 million on August 17, 2020.

Subsequent to the completion of the IPO, the paid up equity share capital of the Company increased from ₹9,380.99 million to ₹10,300.53 million. The Company's equity shares were listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) on March 26, 2021. Further the Company had converted 119,047,619 number of Compulsory Convertible Preference Shares into 9,88,57,435 number of equity shares on March 4, 2021.



### Management Discussion & Analysis Report

Pursuant to Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, a Management Discussion and Analysis Report is given in **Annexure - 1**

### Corporate Governance

Pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, (SEBI (LODR) Regulations, 2015) a report on Corporate Governance along with a Certificate from the Statutory Auditor towards compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report and are given in **Annexure - 2** and **Annexure - 3** respectively.

The Chief Executive Officer and the Chief Financial Officer have certified to the Board with regard to financial statements and other matters as required under Regulation 17(8) read with Schedule II to the SEBI (LODR) Regulations, 2015.

### Corporate Social Responsibility (CSR)

In compliance with Section 135 of the Act, the Company has undertaken CSR activities, projects and programmes as provided in the CSR policy of the Company and as identified under Schedule VII of the Act and excluding activities undertaken in pursuance of its normal course of business. In addition to the projects specified as CSR activities under Section 135 of Act, the Company has also carried out several other sustainability/responsible business initiatives and projects. The Company has spent the entire 2% of the net profits earmarked for CSR projects during the FY2020-21. The Corporate Social Responsibility Policy (CSR Policy) of the Company is available on the website of the Company at [www.kalyanjewellers.net](http://www.kalyanjewellers.net). The Annual Report on CSR activities of the Company during the financial year 2020-21 as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an **Annexure - 4** to this Report

### Material Changes and Commitments Affecting Financial Position of the Company

During the year ended March 31, 2021 the Company had made an Initial Public Offering (IPO) of 135,057,470 equity shares at ₹87/- (including a share premium of ₹77) per equity share of ₹10 each comprising of a fresh issue of 91,954,022 equity shares and an offer for sale (OFS) of 43,103,448 equity shares by selling shareholders. Pursuant to Regulation 32 (1) there was no deviation/ variation in the utilisation of proceeds as mentioned in the objects stated in the Prospectus dated March 19, 2021, in respect of the Initial Public Offering of the Company.

No other material changes and commitments have occurred between end of the financial year of the Company to which the financial statements relate and

the date of this report which may affect the financial position of the Company.

### Risk Management

The Board of Directors at its meeting held on August 20, 2020 had constituted the Risk Management Committee. The details about the composition of Risk Management Committee and number of meetings held are given in the Corporate Governance Report. Further, Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations, 2015, the Company has formulated and adopted a Risk Management Policy.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Our internal control encompasses various managements systems, structures of organisation, standard and code of conduct which all put together help in managing the risks associated with the Company. In order to ensure the internal controls systems are meeting the required standards, it is reviewed at periodical intervals. If any weaknesses are identified in the process of review the same are addressed to strengthen the internal controls which are also revised at frequent intervals.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

### Vigil Mechanism/Whistle-Blower Policy for Directors and Employees:

The Company has formulated a comprehensive Whistle-Blower Policy in line with the provisions of Section 177(9) and Section 177(10) of the Companies Act, 2013 with a will to enable the stakeholders, including Directors, individual employees to freely communicate their concerns about illegal or unethical practices and to report genuine concerns to the Audit Committee of the Company. The mechanism provides adequate safeguards against victimisation of Directors or employees who avail of the mechanism. The Vigil Mechanism has been placed in the website of the Company at [www.kalyanjewellers.net](http://www.kalyanjewellers.net).

### Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

### Details of Application Made or any Proceeding Pending Under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) During The Financial Year

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2020-21.

### Significant and Material Orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### Credit Rating

During the year under review, ICRA Limited, a credit rating agency registered with SEBI had reaffirmed the loan term facilities as A-/Stable and A2+ for long-term/short-term fund based loans.

### Annual Return

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on [www.kalyanjewellers.net](http://www.kalyanjewellers.net)

### Related Party Transactions

All related party transactions which were entered during the Financial Year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions entered by the Company with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interests of the Company.

The details of the transactions with related parties during the year 2020-21 are provided in the accompanying financial statements. The details of transactions with Related Parties as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure - 5** in Form AOC - 2 and forms part of this Report, the Company has also adopted Policy on Materiality and dealing with Related Party Transactions and the same has been placed on the website of the Company at [www.kalyanjewellers.net](http://www.kalyanjewellers.net).

### Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

#### a) Conservation of Energy

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

#### b) Technology Absorption

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

#### c) Foreign Exchange Earnings and Outgo

During the year, your Company's foreign exchange earnings were ₹152.93 million and foreign exchange outgo was ₹57.94 million.

### Subsidiaries/ Joint Venture/ Associate Company

The Company had the following subsidiaries as on March 31, 2021.

Sl. No.	Name of the Subsidiary/ Associate/ Joint Venture	Relationship
1	Enovate Lifestyles Private Limited	Direct Subsidiary
2	Kalyan Jewellers FZE, UAE	Direct Subsidiary
3	Kalyan Jewellers, INC., USA	Direct Subsidiary
4	Kalyan Jewellers LLC, UAE	Subsidiary
5	Kenouz Al Sharq Gold Ind. LLC, UAE	Subsidiary
6	Kalyan Jewellers LLC, Oman;	Subsidiary
7	Kalyan Jewellers For Golden Jewellery Company, W.L.L., Kuwait	Subsidiary
8	Kalyan Jewellers LLC, Qatar	Subsidiary
9	Kalyan Jewellers Bahrain W.L.L., Bahrain.	Subsidiary

Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's Subsidiaries and Associate Company in Form No. AOC-1 is attached to this report as **Annexure - 5A**.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website on [www.kalyanjewellers.net](http://www.kalyanjewellers.net).

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), can be accessed on the Company's website at [www.kalyanjewellers.net](http://www.kalyanjewellers.net)

### Board Meetings

During the year under review, Ten Board meeting were held, details of which are provided in the Corporate Governance Report.

### Directors and Key Managerial Personnel

The Board of Directors of the Company comprises of ten directors, of which three are Executive and seven are Non-Executive Directors, including five independent directors, one Non-Executive Director and one Nominee Director. The composition of the



Board of Directors is in compliance with the provisions of Section 149 of the Companies Act, 2013.

The list of directors of the Company are provided below:

Sl. No.	Name of the Director	Designation
1	T. S. Kalyanaraman	Chairman & Managing Director
2	T. K. Seetharam	Whole-time Director
3	T. K. Ramesh	Whole-time Director
4	Anish Saraf	Non-Executive Nominee Director
5	M. Ramaswamy	Independent Director
6	A. D. M. Chavali	Independent Director
7	Kishori Udeshi	Independent Director
8	T. S. Anantharaman	Independent Director
9	Anil S. Nair	Independent Director
10	Salil Nair	Non-Executive Director

During the year Mr. Anil Nair and Mr. Salil Nair were appointed as Independent Director and Non-Executive Director respectively for a period of 5 years w.e.f. May 29, 2020. Also Mr. A. D. M. Chavali and Mr. M. Ramaswamy were re-appointed as Independent Directors for a further term of 5 years and 2 years respectively with effect from February 11, 2021. Mr. Sanjay Raghuraman Chief Operating Officer of the Company was designated as Chief Executive Officer w.e.f. July 1, 2020. Mr. V. Swaminathan, Chief Financial Officer and Mr. Jishnu R. G., Company Secretary continue to be the Key Managerial Personnel of the Company.

The Company has received declarations of independence in accordance with the provisions of the Act as well as the LODR Regulations from all the Independent Directors. Further, all the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations, Mr. MR Thiagarajan Practising Company Secretary, Coimbatore has certified that none of the Directors on the Board of the Company has 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 statutory authority and the certificate forms part of this Annual Report and is given as **Annexure 6.A**.

### Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on March 24, 2021.

The Independent Directors at the meeting, *inter alia*, reviewed the following:

- Performance of Non-Independent Directors and Board as a whole
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Adequacy of Internal Controls and Compliance with Laws

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

### Deposits

During the year under review, the Company has not accepted any deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. The Company has no unclaimed/unpaid matured deposit or interest due thereon.

### 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.

### Audit Committee and other Board Committees

The details pertaining to the composition of the Audit Committee and its role and details of other committees of the Company are included in the Corporate Governance Report, which is a part of this Annual Report.

### Details in Respect of Frauds Reported by Auditors Under Directors (12) of Section 143 other than those which are Reportable to the Central Government

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force).

### Employee Stock Option Schemes

The Company had implemented an employee stock option plan namely 'Kalyan Jewellers India Limited-Employee Stock Option Plan 2020' and an employee stock purchase scheme namely 'Kalyan Jewellers India

Limited-Employee Stock Purchase Scheme 2020' vide members' special resolution dated 20.08.2020 prior to its initial public offer, with the objectives to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents and to retain them for ensuring sustained growth. Your Company has neither granted any employee stock option nor issued any Share under this schemes till date. In terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), any fresh grant of Options or issue of Shares can be made only if the Employee Benefit Schemes are in compliance with the SEBI SBEB Regulations and are ratified by the members of the Company. Accordingly, the Employee Benefit Schemes will be placed before the members for ratification at the 13<sup>th</sup> Annual General Meeting of the Company.

### Performance Evaluation of Board and Its Committees

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Guidance Note on Board Evaluation issued by SEBI on January 5, 2017, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its Committees.

### Remuneration Policy

The Company has, on the recommendation of the Nomination & Remuneration Committee, framed and adopted a Nomination and Remuneration Policy in terms of the Section 178 of the Act. The policy, *inter alia*, lays down the principles relating to appointment, cessation, remuneration and evaluation of directors, key managerial personnel and senior management personnel of the Company. The Nomination & Remuneration Policy of the Company is available on the website of the Company at [www.kalyanjewellers.net](http://www.kalyanjewellers.net)

### Non-Executive Directors' Compensation and Disclosures

None of the Independent Directors have any pecuniary relationship or transactions with the Company which in the Judgement of the Board may affect the independence of the Directors

### Auditors

#### Statutory Auditors

The shareholders of the Company at the 11<sup>th</sup> Annual General Meeting (AGM) held on September 30, 2019 have appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No 117366W / W-100018) 7<sup>th</sup> Floor, Times Square, Door No. 62, A. T. T. Colony Road, Coimbatore - 641 018 as the statutory auditors of the Company to hold office from the conclusion of 11<sup>th</sup> AGM till the conclusion of the 16<sup>th</sup> AGM of the Company.

#### Secretarial Auditors

The Board of Directors, pursuant to the provisions of Section 204 of the Companies Act, 2013, appointed of Mr. M. R. Thiagarajan, Company Secretary in Practice, as the Secretarial Auditor of the Company, to carry out the Secretarial Audit for the Financial Year 2020-21. Secretarial Audit Report, issued by the Secretarial Auditor in Form No. MR -3 forms part of this Report and is annexed herewith as **Annexure - 6**.

#### Cost Auditors

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

#### Auditor's Report and Secretarial Auditor's Report

There are no disqualifications, reservations, adverse remarks or disclaimers in the auditor's report and secretarial auditor's report.

#### Internal Auditors

M/s. Balaram & Nandakumar, Chartered Accountants, Thrissur performs the duties of Internal Auditors of the Company and their report is reviewed by the Audit Committee quarterly.

#### Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;
- they have 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY2021.

### Particulars of Employees and Related Disclosures

As prescribed under Section 197(12) of the Companies Act, 2013 ("Act") and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details are given in **Annexure - 7**.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate annexure forming part of this Report. In terms of Section 136 of the Act, the Annual Report and financial statements are being sent to the shareholders excluding the aforesaid annexure. The said annexure is available for inspection at the registered office of the Company during business hours and will be made available to any shareholder on request.

### Declaration Regarding Compliance by Board Members and Senior Management Personnel with The Company's Code of Conduct

The Code of Conduct of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is reviewed on an annual basis and the latest Code is available on the website of the Company at [www.kalyanjewelers.net](http://www.kalyanjewelers.net).

### Code of Practices and Procedures For Fair Disclosure of Unpublished Price Sensitive Information

The Board has formulated Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code") for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities and to maintain the uniformity, transparency and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations. The copy of the same is available on the website of the Company at [www.kalyanjewelers.net](http://www.kalyanjewelers.net).

### Prevention of Insider Trading

The Board has formulated code of conduct for regulating, monitoring and reporting of trading of shares by Insiders. This code lays down guidelines, procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them on consequences of non-compliance. The copy of the same is available on the website of the Company at [www.kalyanjewelers.net](http://www.kalyanjewelers.net).

### Acknowledgements

Your Directors wish to place on record their appreciation of the support which the Company has received from its promoters, shareholders, lenders, business associates, vendors, customers, media and the employees of the Company.

On behalf of the Board of Directors

**T. S. Kalyanaraman**  
Chairman & Managing Director  
DIN: 01021928

Place: Thrissur  
Date: May 27, 2021

## Annexure 2 to the Board's Report

### Report on Corporate Governance

[Pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015].

#### Corporate Governance Philosophy

Kalyan Jewellers India Ltd., has always been committed to the system by which the business is conducted on the principle of good corporate governance. The culture of good corporate governance is followed at all stages in conducting the business. The Principle of corporate governance viz. integrity, equity, fairness, accountability & commitment to values are promoted continuously. Corporate Structure, business and financial reporting practices have been aligned to the principles of corporate governance. Continuous endower is made to improve these practices as an ongoing basis. The governance philosophy of the Company is not limited to confirming of compliance of laws, but is a blend of both legal and management practices to embed the same in the decision making process. The Company always endeavours to align the practices in line with the changing business environment and confirms that the interest of all stakeholders are safeguarded could successfully take the various stakeholders in its journey and reach newer heights.

#### Board of Directors

##### Composition of the Board and profile of the Directors

The present composition of the board is in compliance with the requirements of Regulation 17 (1) of the Listing Regulations. The Board of Directors (the Board) of the Company comprises of optimum mix of Executive and Non-Executive Directors, with fifty percent of the board as Independent Directors. The Board, as on March 31, 2021, comprises of ten Directors, which includes five Independent Directors, three Executive Directors, and two Non-Executive Directors (one of which is a Nominee Director). The Chairman of the Board of Directors of the Company is an Executive Director and a promoter.

##### The profiles of the directors are given below:

**Mr. T. S. Kalyanaraman** is the Chairman and Managing Director of the Company. He has been working with the Company since its inception and has been associated with the brand 'Kalyan Jewellers' since 1993. He completed his bachelor's in commerce from University of Calicut and has over 45 years of retail experience, of which over 25 years is in the jewellery industry.

**Mr. T. K. Seetharam** is a Promoter and a whole-time Director of the Company He has been working with the Company since its inception and has been associated with the brand 'Kalyan Jewellers' since 1998. He has qualified as a master of business administration from Bharathiar University, Coimbatore. He has also completed the 'Executive Programme in Leadership: The Effective Use of Power' course from

Stanford University. He has approximately 22 years of experience in the jewellery industry.

**Mr. T. K. Ramesh** is a Promoter and a whole-time Director of the Company He has been working with the Company since its inception and has been associated with the brand 'Kalyan Jewellers' since 2000. He has completed his master's degree in commerce at Karnataka State University. He has approximately 20 years of experience in the jewellery industry.

**Mr. Salil Nair** is a Non-Executive Director of the Company and has been on the Board of Kalyan Jewellers India Ltd., since 2020. He has completed his master's degree in science at Meerut University. He has approximately 23 years of experience in the retail industry. He has previously acted as Chief Executive Officer of Shoppers Stop Limited.

**Mr. Anish Kumar Saraf** is a Non-Executive, Nominee Director nominated by Highdell and has been on the Board of Kalyan Jewellers India Ltd., since 2018. He is a qualified chartered accountant and holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is associated with Warburg Pincus India Private Limited since 2006 where he currently holds the position of Managing Director.

**Mr. A. D. M. Chavali** is an Independent Director of the Company and has been on the Board of Kalyan Jewellers India Ltd. since 2016. He holds a master of science degree in mathematics from Andhra University. Mr. Chavali has over 30 years of experience in the banking sector and has served in various capacities in prestigious financial institutions, including, as a General Manager of Bank of Baroda and as an Executive Director of Indian Overseas Bank. He retired from Indian Overseas Bank as an Executive Director in the year 2014. Mr. Chavali has also acted as a nominee director of Bank of Baroda, Central Depository Services (India) Limited and The Clearing Corporation of India Limited. In January 2020, he was appointed as a member of the advisory board for Banking and Financial Frauds by the Central Vigilance Commission.

**Mr. M. Ramaswamy** is an Independent Director of the Company and has been on the Board of Kalyan Jewellers India Ltd. since 2016. He holds a master of arts degree in economics from University of Madras. Mr. Ramaswamy has over 35 years of experience in the banking sector and has served, in various prestigious financial institutions in several capacities, including as a General Manager of State Bank of Saurashtra and the State Bank of Hyderabad, as a Chief General Manager of State Bank of Bikaner and Jaipur and as the Managing Director in State Bank of Travancore. He retired as a Managing Director from State Bank of Travancore in 2008.



**Mr. T. S. Anantharaman** is an Independent Director of the Company. He has been on the Board of Kalyan Jewellers India Ltd., since 2018. He has been appointed as a director of Kalyan Jewellers FZE and Kalyan Jewellers LLC UAE, the material subsidiaries of the Company in terms of Regulation 24 of the SEBI Listing Regulations, with effect from August 3, 2020. Mr. T. S. Anantharaman holds a bachelor of commerce degree from University of Kerala. He was admitted as an associate member of the Chartered Management Institute, formerly known as the British Institute of Management on June 22, 1976 and as a fellow of the Institute of Chartered Accountants of India on July 31, 1974. He has several years of experience in various sectors, such as banking and teaching management and accounting.

**Ms. Kishori Udeshi** is an Independent Director of the Company. She has been on the Board of Kalyan Jewellers India Ltd. since 2018. She holds a master's degree in arts with specialisation in economics from the Bombay University. She has several years of experience in policy and banking sectors. During the course of her career, Ms. Udeshi has held prestigious positions with various institutions and government bodies. She was the first woman Deputy Governor of the RBI and a director of the RBI to be nominated on the board of directors of the State Bank of India. As the Deputy Governor of the RBI, she was also on the board of directors of SEBI, NABARD, Exim Bank and has acted as the chairman of the Bharatiya Reserve Bank Note Mudran Private Limited. Ms. Udeshi was also appointed by the RBI to act as the Chairman of The Banking Codes and Standards Board of India. Ms. Udeshi has also acted as the chairman of the

Deposit Insurance and Credit Guarantee Corporation. Presently, she serves as a member (as appointed by the Government of India) of the Financial Sector Legislative Reforms Commission.

**Mr. Anil S. Nair** is an Independent Director of the Company and has been on the Board of Kalyan Jewellers India Ltd., since 2020. He has completed his bachelor's degree in arts at the University of Kerala. He has over 19 years of experience in the field of advertising. During the course of his career, he has held various positions such as CEO & Managing Partner of Law & Kenneth Saatchi & Saatchi Pvt. Limited and Vice President (Branch Head, Mumbai) at Quadrant Communications Limited.

#### Details of the Directors and their associations with other companies

The number of other Directorships and Chairmanships/Membership of Committees of each Director in various Companies as of March 31, 2021 are given below. The directorships as mentioned below do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act.

In accordance with Regulation 26 of Listing Regulation, Memberships/Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all public Companies have been considered. The number of Committeeship/Chairmanships of all Directors are within the respective limits prescribed under Companies Act, 2013 and Listing Regulations. None of the Directors is related to each other except as disclosed below

Name	Category of Directors	Number of Directorships held in public Companies (including Kalyan Jewellers India Limited)	Number of Memberships/ Chairmanships in Board Committees (including Kalyan Jewellers India Limited)		Names of the other listed entities where the person is a director
			Member	Chairperson	
Mr. T. S. Kalyanaraman	Promoter, Executive Director	1	None	None	None
Mr. T. K. Seetharam	Promoter, Executive Director	1	1	None	None
Mr. T. K. Ramesh	Promoter, Executive Director	1	1	None	None
Mr. Salil Nair	Non-Executive Director	1	None	None	None
Mr. Anish Kumar Saraf	Non-Executive Nominee Director	2	1	None	PVR Limited
Mr. A. D. M. Chavali	Non-Executive Independent Director	2	2	2	None
Mr. M. Ramaswamy	Non-Executive Independent Director	1	None	None	None
Mr. T. S. Anantharaman	Non-Executive Independent Director	3	1	1	None
Ms. Kishori Udeshi	Non-Executive Independent Director	8	5	2	1. Thomas Cook (India) Limited 2. Elantas Beck India Limited 3. Haldyn Glass Limited 4. Shriram Transport Finance Company Limited 5. ION Exchange (India) Limited
Mr. Anil S. Nair	Non-Executive Independent Director	1	None	None	None

Notes:

- As on March 31, 2021, the Company has Ten Directors. Out of the Ten Directors, five (i.e. 50 percent) are Non-Executive and Independent. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on

the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. None of the Independent Directors serves as an independent director on more than seven listed entities. The terms and conditions for appointment of Independent Directors are uploaded on the website of the Company - [www.kalyanjewellers.net](http://www.kalyanjewellers.net).

#### Board qualifications, expertise and attributes

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board and whether the person is a proven leader in a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Board has adequate mix of skills, expertise and competencies for running the business of the Company as detailed below:

Name of Director	Business Strategy	Sales and Marketing	Financial Expertise	Operations	Corporate Governance
T. S. Kalyanaraman	✓	✓	✓	✓	✓
T. K. Seetharam	✓	✓	✓	✓	✓
T. K. Ramesh	✓	✓		✓	✓
Salil Nair	✓	✓		✓	✓
Anish Saraf	✓		✓		✓
A. D. M. Chavali	✓		✓		✓
M. Ramaswamy	✓		✓		✓
T.S. Anantharaman	✓		✓	✓	✓
Kishori Udeshi	✓		✓		✓
Anil S. Nair	✓	✓		✓	✓

#### Board Meeting

The Board of Directors met 10 (Ten) times during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

Sl. No.	Date of Board Meeting	No of Directors Present
1	July 1, 2020	10
2	July 13, 2020	10
3	August 20, 2020	10
4	August 24, 2020	10
5	November 30, 2020	10
6	January 25, 2021	10
7	March 4, 2021	10
8	March 9, 2021	10
9	March 19, 2021	10
10	March 24, 2021	10

The Board of Directors periodically reviews reports regarding operations, capital expenditure proposals, statutory compliance and other required information as enumerated in Part A of Schedule II of the Listing regulations and as required under relevant provisions of the Companies Act, 2013

#### Attendance of individual Directors at the Board Meetings and last Annual General Meeting

Following are the details of the Directors' attendance at board meetings held during the year under review and at the last Annual General Meeting

Sl. No.	Name of the Director	Attendance at	
		Board Meeting	AGM Held on August 17, 2020
1	Mr. T. S. Kalyanaraman	10	Yes
2	Mr. T. K. Seetharam	10	Yes
3	Mr. T. K. Ramesh	10	Yes
4	Mr. Salil Nair	10	No
5	Mr. Anish Kumar Saraf	10	No
6	Mr. A. D. M. Chavali	10	No
7	Mr. Mahalingam Ramaswamy	10	No
8	Mr. T. S. Anantharaman	10	No
9	Ms. Kishori Udeshi	10	No
10	Mr. Anil S. Nair	10	No

The Company provides the facility to its Directors to attend the meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). All statutory



and other matters of significant importance including information as mentioned in Part A of Schedule II to the Listing Regulations are tabled before the Board, to enable it to take appropriate decisions in both strategic and regulatory matters. The Board reviews compliances of all laws, rules, regulations on a quarterly basis. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations.

#### Number of Shares and Convertible instruments held by Non-Executive Directors

Mr. Salil Nair, Non-Executive Director of the Company was holding No.9717 equity shares of the Company as on March 31, 2021. There are no convertible instruments issued by the Company.

#### Disclosure of Relationship between directors *inter se*

Mr. T. K. Seetharam & Mr. T. K. Ramesh Whole-time Directors of the Company are the son of Mr. T. S. Kalyanaraman Chairman and Managing Director of the Company. None of the other Directors are related to any Board Member.

#### Meeting of the Independent Directors

During the year under review, 1 (one) meeting of the Independent Directors of the Company as per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI (LODR), Regulations, 2015 was held on March 24, 2021. The Independent Directors, *inter-alia*, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

#### Familiarisation programme

The Company has a familiarisation programme for Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the Industry, the business models of the Company etc. and the details of the same are available on the website of the Company.

#### Committees of the Board

Your Company's Board of Directors had constituted the following Mandatory Committees to comply the requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz.:

(i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee;

(iv) Corporate Social Responsibility Committee; and (v) Risk Management Committee.

#### Audit Committee

The role and terms of reference of the Audit Committee cover the areas mentioned under Regulation 18 (3) of Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors from time to time.

The Company's Audit Committee consists of three Directors, of which two are Non-Executive Independent Directors. All the members of the Audit Committee have adequate knowledge in the areas of finance and accounting.

The composition of and attendance at Audit Committee meetings are given below:

Sl. No.	Name of the member	Category	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
1.	Mr. A. D. M. Chavali	Chairman	5	5
2.	Mr. M. Ramaswamy	Member	5	5
3.	Mr. Anish Saraf	Member	5	3

Mr. Jishnu R. G. Company Secretary, is the Secretary of the Committee. Mr. T. K. Seetharam and Mr. T. K. Ramesh - Whole-time Directors of the Company are permanent invitees. The Chief Financial Officer, The Chief Executive Officer, Head of Internal Audit, Statutory Auditors and other Executives, as considered appropriate, also attend the meetings by invitation.

The meetings of the Audit Committee were held on the following dates during the FY2020-21:

Sl. No.	Dates of Meeting
1	July 1, 2020
2	July 13, 2020
3	August 20, 2020
4	November 28, 2020
5	January 25, 2021

The Audit Committee met 5 times during the financial year 2020-21 and the gap between two meetings did not exceed one hundred and twenty days.

#### Nomination and Remuneration Committee

The role and terms of reference of the Nomination and Remuneration Committee cover the areas mentioned under Regulation 19 (4) of SEBI LODR Regulations, 2015 and Section 178 of the Companies Act, 2013 read with Rules framed thereunder

The composition of and attendance of Nomination and Remuneration Committee meetings are given below:

Sl. No.	Name of the Member	Category	No. of Nomination and Remuneration Committee Meetings held	No. of Committee Meetings attended
1.	Mr. M. Ramaswamy	Chairman	3	3
2.	Mr. A DM Chavali	Member	3	3
3.	Mr. Anish Saraf	Member	3	3

Mr. Jishnu R. G., Company Secretary, is the Secretary of the Committee.

The meetings of the Nomination and Remuneration Committee were held on the following dates:

Sl. No.	Dates of Meeting
1	July 1, 2020
2	July 13, 2020
3	August 20, 2020

#### Performance evaluation criteria for Independent Directors:

In terms of Section 178 of the Act and Regulation 19 read with Schedule II to the SEBI LODR Regulations, 2015, the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Board as a whole, its Committees and individual Directors. Based thereon, the evaluation was carried out by the Board. The criteria for performance evaluation forms part of the Nomination and Remuneration Policy of the Company, which is placed on the Company's website at [www.kalyanjewellers.net](http://www.kalyanjewellers.net).

#### Remuneration to Non-Executive Directors for the financial Year 2020-21

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees and Commission. The Company pays sitting fees of ₹100,000/- (Rupees One lakh only) per meeting for attending the Board Meetings.

The travel expenses for attending meetings of the Board of Directors or a Committee thereof, for site visits and other related expenses are borne by the Company, from time to time.

The criteria of making payment to Non-Executive Directors are uploaded on the website of the Company and are accessible at [www.kalyanjewellers.net](http://www.kalyanjewellers.net)

Details of remuneration paid/payable to the Non-Executive Directors for the financial year 2020-21 are as follows:

Sl. No.	Name	Designation	Total Sitting fees FY2020-21 in million
1	Mr. M. Ramaswamy	Non-Executive Independent Director	1
2	Mr. A DM Chavali	Non-Executive Independent Director	1
3	Ms. Kishori Udeshi	Non-Executive Independent Director	1
4	Mr. Anil Nair	Non-Executive Independent Director	1
5	Mr. T. S. Anantharaman	Non-Executive Independent Director	1
6	Mr. Salil Nair	Non-Executive Director	1
7	Mr. Anish Saraf	Non-Executive Nominee Director	Nil

#### Details of remuneration paid to the Executive Directors for the year ended 31st March 2021

The remuneration paid/payable to the Executive Directors are in accordance with the approval of the Board and shareholders and as per the Remuneration Policy of the Company:

Particulars	Details of remuneration (in ₹ million)		
	Mr. T.S. Kalyanaraman Chairman and Managing Director	Mr. T.K. Seetharam Whole-time Director	Mr. T.K. Ramesh Whole-time Director
Basic Salary	115.50	115.50	115.50
Perquisites and others	Nil	Nil	Nil
Commission	Nil	Nil	Nil
ESOP	Nil	Nil	Nil
Incentive	Nil	Nil	Nil
<b>Total</b>	<b>115.50</b>	<b>115.50</b>	<b>115.50</b>



### Service Contracts, Severance Fees and Notice Period

The tenure of the office of Managing Director and Whole time Directors is 5 (five) years from respective dates of their appointment and the notice period for terminating the service contract of Managing Director and Whole-time Director is based on Company's HR Policy. Further, there is no separate provision for payment of severance fees. None of the Executive Directors had been granted any Employee Stock Options of the Company.

As required under the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors of the Company.

### Stakeholders' Relationship Committee

In compliance with Section 178(5) of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Committee has been formed to specifically focus on the services to shareholders/investors.

The Committee comprises of 3 Directors. The Chairman of the Committee is a Non-Executive Independent Director. The composition of the Committee as on March 31, 2021 is as follows:

Sl. No.	Members of Shareholders Relationship Committee	Category
1.	Mr. T. S. Anantharaman (Chairman)	Non-Executive, Independent
2.	Mr. T. K. Seetharam	Executive Director
3.	Mr. T. K. Ramesh	Executive Director

The Company Secretary acts as the Secretary to the Committee. It is to be noted that, the Company has listed its securities on BSE Limited and National Stock Exchange of India Limited on March 26, 2021. Since, prior to March 26, 2021 the Company was unlisted Company, the requirement of conducting Stakeholders Relationship Committee was not mandatory and therefore, the Committee has not met during the financial year 2020-21.

The number of complaints received, disposed of and pending during the year are as under:

Sl. No.	Particulars	No. of Complaints
1.	Pending at the beginning of the quarter	Nil
2.	Received during the quarter	9
3.	Disposed of during the quarter	9
4.	Remaining unresolved at the end of the quarter	Nil

### Risk Management Committee

The Company has listed its securities on BSE Limited and National Stock Exchange of India on March 26, 2021. As required under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Risk Management Committee has been constituted with majority of Board of Directors and one Independent Director as its members. The Committee was constituted on August 20, 2020. The Risk Management Committee monitors, reviews the risk management plan of the Company and performs such other functions as mandated by the Board of Directors.

The composition of the Risk Management Committee meetings is given below:

Sl. No.	Members of Risk Management Committee	Category
1.	Mr. Sail Nair (Chairman)	Non-Executive, Director
2.	Mr. Anil S. Nair	Non-Executive, Independent
3.	Mr. T. K. Seetharam	Executive Director

Since the provisions for formulation and holding of meeting of Risk Management Committee were not applicable to the Company during the financial year under review, there were no meetings for the Risk Management Committee.

### Corporate Social Responsibility (CSR) Committee

The CSR Committee of the Board of Directors as on March 31, 2020 consists of following members:

Sl. No.	Members of CSR Committee	Category
1.	Mr. T. S. Kalyanaraman (Chairman)	Executive Director
2.	Mr. M. Ramaswamy	Non-Executive, Independent
3.	Mr. T. K. Seetharam	Executive Director
4.	Mr. T. K. Ramesh	Executive Director

The Company Secretary acts as the Secretary to the Committee. The following table presents the details of attendance of CSR Committee meeting for the financial year ended March 31, 2021.

Sl. No.	Members of CSR Committee	No. of Committee Meetings held	No. of Committee Meetings attended
1.	Mr. T. S. Kalyanaraman	3	3
2.	Mr. M. Ramaswamy	3	3
3.	Mr. T. K. Seetharam	3	3
4.	Mr. T. K. Ramesh	3	2

Mr. Jishnu R. G., Company Secretary, is the Secretary of the Committee.

The meetings of the CSR Committee were held on the following dates:

Sl. No.	Dates of Meeting
1	April 6, 2020
2	July 13, 2020
3	January 25, 2021

### General Body Meetings

Details of the Annual General Meeting(s) (AGM) of the Company held during the preceding three years are tabulated below:

Financial Year	Date	Time	Location
2017-18	29/09/2018	02.00 p.m.	TC-32/204/2, Sitaram Mill Road, Punkunnam, Thrissur, Kerala - 680 002
2018-19	30/09/2019	11.00 a.m.	- do -
2019-20	17/08/2020	11.00 a.m.	- do -

Details of Special Resolutions passed in the previous three Annual General Meetings.

The following table illustrate the various special resolutions passed in the previous three Annual General Meeting of the Company.

Date of Annual General Meeting	Details of Special Resolutions passed if any;
August 17, 2020.	<ul style="list-style-type: none"> <li>Increase in authorised capital of the Company</li> <li>Amendment to the Memorandum of Association of the Company for Increase in Authorised Share Capital.</li> <li>Approval for Initial Public Offer</li> <li>Increase in aggregate limit of Non-Resident Indian or Overseas Citizen of India.</li> <li>Increase in borrowing limits</li> <li>Payment of Commission to Non-Executive Independent Directors</li> <li>Revision of remuneration of Managing Director</li> <li>Revision of remuneration of Whole-time Directors</li> </ul>
September 30, 2019.	<ul style="list-style-type: none"> <li>Approval for Payment of Commission to Non-Executive Directors.</li> <li>Acceptance of Deposits from Public</li> </ul>
September 29, 2018	Nil

The Extra Ordinary General Meetings Held during the year 2020-21 as under:

Date of Annual General Meeting	Details of Special Resolutions passed if any;
June 8, 2020.	<ul style="list-style-type: none"> <li>Appointment of Independent Directors</li> </ul>
August 20, 2020	<ul style="list-style-type: none"> <li>Adoption of new Articles of Association</li> <li>Approval of Kalyan Jewellers India Limited - Employee Stock Option Plan -2020</li> </ul>
February 11, 2021	<ul style="list-style-type: none"> <li>Re-appointment of Independent Directors</li> <li>Revision of Remuneration of Managing Director and Whole time Directors for the remaining period of appointment</li> <li>Continuation of Directorship of Mrs. Kishori Udeshi as Non-Executive Independent Director</li> </ul>

### Postal Ballot

No Postal Ballot was conducted during the year.

### Means of Communication

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on March 26, 2021. Post listing of equity shares, quarterly and annual financial results were published in the leading English newspapers "Financial Express" and Malayalam newspaper "Deepika". The said results are promptly furnished to the Stock Exchanges for display on their respective websites and are also displayed on the Company's website.

### General Shareholder Information

Date, Time and Venue of the Annual General Meeting	September 23, 2021 through Video Conferencing (VC)/Other Audio Visual Means (OAVM)
Financial year April 1, to March 31,	Will be published on or before (tentative and subject to change):
Result for Quarter ending June 30, 2021	On or before August 14, 2021
Result for Quarter ending September 30, 2021	On or before November 14, 2021
Result for Quarter ending December 31, 2021	On or before February 14, 2022
Result for Quarter ending March 31, 2021	On or before May 30, 2022
Dividend payment date	No Dividend declared for the year

### Name and address of the stock exchange at which the shares of the Company are listed and details of annual listing fees paid

Shares of the Company are quoted on the National Stock Exchange of India Limited (NSE) and the BSE Ltd., since March 26, 2021. Address of the Stock Exchanges are as follows:

BSE Limited Phiroze Jeejeebhoy Towers, Dalal street Mumbai - 400001	National Stock exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1 G Block, Bandra-Kurla Complex, Bandra - East, Mumbai - 400 051
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Company's Equity Shares are traded in Group "B" category in BSE Limited

Your Company has paid the annual listing fee to both the exchanges. The Company has also paid the custodial fees to the NSDL and CDSL as per the SEBI Circular IR/MRD/DP/05/2011 dated April 27, 2011 for the year 2020-21.

### Details of Stock code

The stock codes of the Company at the Stock Exchanges are as follows:

BSE Ltd.: Scrip code: 543278

The National Stock Exchange of India Limited Symbol: KALYANKJIL

Equity ISIN: INE303R01014



**Stock market price data- high, low during each month in last financial year**

Share Performance v/s BSE Sensex and CNX Nifty (March 2021)

**Note: The equity shares of the Company were listed on BSE and NSE on March 26, 2021. Hence no other details were given.**

There was no suspension from trading in equity shares of the Company during the year 2020-21.

**Registrar and Transfer Agent**

Link Intime India Private Limited  
Surya 35, Mayflower Avenue, Behind Senthil Nagar,  
Sowripalayam Road,  
Coimbatore - 641 028. Tel: 0422-2314792  
E-mail ID: coimbatore@linkintime.co.in

**Share transfer system**

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019. In view of the same, the entire share capital of the Company is in dematerialised form. The shares can be transferred by shareholders through their Depository Participants

**Distribution of shareholding as on March 31, 2021**

Serial #	Shares - Range		Number of Shareholders	% of Total Shareholders	No. of Shares held	% of Shareholding
	From	To				
1	1	500	273,998	98.8164	44,782,815	4.35
2	501	1000	1,524	0.5496	1,212,608	0.12
3	1001	2000	834	0.3008	1,329,586	0.13
4	2001	3000	282	0.1017	711,725	0.07
5	3001	4000	134	0.0483	482,655	0.05
6	4001	5000	124	0.0447	575,184	0.06
7	5001	10000	161	0.0581	1,168,252	0.11
8	10001	*****	223	0.0804	979,790,232	95.12
<b>TOTAL</b>			<b>277,280</b>	<b>100.0000</b>	<b>1,030,053,057</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity**

100% of total equity capital is held in dematerialised form with NSDL and CDSL as on March 31, 2021.

**Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity shares as on March 31, 2021:** Nil

**Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company procures gold both through Gold Metal Loan facility from banks and other domestic open market purchases. The Company is exposed to price fluctuations on account of gold prices. The Group's intention is to utilise a combination of gold metal loan together with hedging instruments like Futures/Options on domestic as well as international commodity exchanges, to eventually maintain at most times a majoritarily hedged position with respect to the Company's gold inventory as well as to manage the cash flow related risks associated with the Gold Metal Loan caused by Gold Metal price fluctuations, while at the same time affording flexibility to the management team to manage liquidity and other operational

constraints. The metal loan also exposes the Group to risk of increase in Gold prices in both India and overseas and underlying foreign currency fluctuations in India. On case to case basis, the Group uses hedging instruments such as forward/option contracts to book forward gold rates and in certain cases, also its cash flows in functional currency in which the components of the Group operate. The other disclosures regarding commodity risks are detailed in the notes forming part of the financial statements of the Company.

**Location of the Corporate Office**

TC-32/204/2,  
Sitaram Mill Road, Punnamm  
Thrissur, Kerala - 680 002  
Corporate Identity Number: U36911KL2009PLC024641  
Registration Number: 024641

**Address for investor correspondence****For queries on shares**

Mrs. S Dhanalakshmi  
Branch Head - Coimbatore Branch  
Link Intime India Pvt. Ltd.  
Phone: +91 422 2314792, 2315792  
E-mail: - dhanalakshmi.s@linkintime.co.in

**Investor Grievance Contact Details**

Mr. Jishnu R. G.  
Company Secretary and Compliance Officer  
E-mail: - cs@kalyanjewellers.net  
Exclusive E-mail ID for purpose of registering Investor complaints is: compliance@kalyanjewellers.net

**List of credit rating obtained by the Company with revision during the Financial year**

During the year under review, ICRA Limited, a credit rating agency registered with SEBI had reaffirmed the loan term facilities as A-/Stable and A2+ for long-term/short-term fund based loans.

**Other Disclosures**

- No penalty or strictures have been imposed on the Company by any Stock Exchange or Securities and Exchange Board of India or any Statutory Authority on any matter related to capital markets during the last three years.
- There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given in the financial statements of the Annual Report
- A Whistle-Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee.
- Pursuant to the SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr MR Thiagarajan,

Practicing Company Secretary, Coimbatore, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report. The report is available on the website of the Company at [www.kalyanjewellers.net](http://www.kalyanjewellers.net).

- The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.
- Details of information on appointment and re-appointment of Directors forms part of the Notice convening the 13<sup>th</sup> Annual General Meeting.
- The Company has paid a sum of ₹8.00 million as fees on standalone basis to the Statutory auditors as audit fee.
- All the requirements of corporate governance report of sub-paragraphs (2) to (10) Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly complied with.
- The Company has fulfilled the discretionary requirements relating to the financial statements and the same are unqualified.

**Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations**

Sr. No	Requirements specified in Part E of Schedule II	Action by the Company
1.	<b>The Board:</b> A non-executive chairperson may be entitled to maintain a Chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.	The Company does not have a non-executive Chairman.
2.	<b>Shareholder Rights:</b> A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	The Company has listed its securities on BSE Limited and National Stock Exchange of India Limited on 26 <sup>th</sup> March, 2021. Therefore, compliance with this clause is not applicable to the Company.
3.	<b>Modified opinion(s) in audit report:</b> The last entity may move towards a regime of financial statements with unmodified audit opinion.	Company has submitted a declaration with the stock exchanges that the Statutory Auditors of the Company have issued Audit Report on Audited Financial Results for the year ended 31 <sup>st</sup> March 2021 with unmodified opinion.
4.	<b>Reporting of Internal Auditor:</b> The Internal auditor may report directly to the Audit Committee	The Internal auditor may report directly to the Audit Committee

The Company is fully compliant with the Corporate Governance requirements as specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Kalyan Jewellers India Limited

Place: Thrissur  
Date: May 27, 2021

**Mr. T. S. Kalyanaraman**  
Chairman and Managing  
Director



## Annexure 3 to the Board's Report

**Independent Auditor's Certificate on Corporate Governance**

To the Members of Kalyan Jewellers India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated November 20, 2020.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of **KALYAN JEWELLERS INDIA LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of

Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) and paras C and D of Schedule V of The Listing Regulations during the year ended March 31, 2021.
9. We 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 **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Balaji M N**  
(Partner)

Place: Bengaluru (Membership No. 202094)  
Date: May 27, 2021 (UDIN: 21202094AAAADL7383)

## Annexure 4 to the Board's Report

**Annual Report on CSR Activities****1. Brief outline on CSR policy of the Company**

The CSR activities carried out by the Company are in accordance with the CSR Policy, as formulated by the CSR Committee and approved by the Board. The broad objectives, as stated in the CSR Policy, includes supporting causes concerning healthcare, education, rural development, skill development, eradication of poverty and measures for reducing inequalities faced by socially & economically backward groups, environment protection and relief activities during COVID pandemic. The Company through its CSR Committee shall identify the activities/projects in line with Section 135 read with Schedule VII of the Companies Act, 2013 and the Rules made thereunder. Our company is committed for better utilisation of CSR funds so that it can serve the public at large.

**2. Composition of the CSR Committee**

Sl. No.	Name of the Member	Position	Category of Directors
1	T. S. Kalyanaraman	Chairman	Managing Director
2	M. Ramaswamy	Member	Independent Director
3	T. K. Seetharam	Member	Whole-time Director
4	T. K. Ramesh	Member	Whole-time Director

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

The Composition of the CSR committee and CSR Policy are available on the Company's website on <https://www.kalyanjewellers.net/investors/downloads.php>

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.**

Not Applicable

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: Nil**

6. **Average net profits of the Company for last three financial years: ₹1729.57 million**

(a) **Two percent of average net profit of the Company as per Section 135(5): ₹34.59 million**

(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 (6a+6b-6c): ₹34.59 million**

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

Total Amount Spent for the Financial Year in million	Amount unspent in million				
	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
38.30	Nil	Nil	Nil	Nil	Nil

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



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

(Amount in ₹)

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Location of the Project	Amount spent for the project in million	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
1	COVID Pandemic Relief Activities	COVID Pandemic	Pan India	28.88	Yes	
	COVID Pandemic Relief Activities - Meer Foundation	COVID Pandemic	Mumbai, India	2.5	No	Meer Foundation*
	Supply of Oxygen Facilities	COVID Pandemic	Local: Thrissur, Kerala	0.9648	Yes	-
2	Support to various Hospitals in Kerala.	Promoting Health Care including Preventive Health Care	Local: Thrissur & Ernakulam, Kerala	0.9212	Yes	-
3	Construction of Houses	Eradication of poverty	Local: Thrissur, Kerala & Attappadi, Palakkad	1.82	Yes	-
4	Construction of building for PSF Metriculation School, Salem	Promotion of Education	Salem, Coimbatore	2.00	Yes	-
5	Scholarship and Education Fee of students at St Marys College	Promotion of Education	Local: Thrissur, Kerala	0.044	Yes	-
6	Promotion of Education facility	Promotion of Education	Usilampetti, Tamil Nadu	1.00	No	Relief Projects India*
7	Conducting COVID awareness Programmes	COVID Pandemic	Local: Thrissur, Kerala	0.17	Yes	-

\* Awaiting CSR Registration Number

**(d) Amount spent in Administrative Overheads:** Nil**(e) Amount spent on Impact Assessment, if applicable:** Nil**(f) Total amount spent for the Financial Year (7b+7c+7d+7e):** ₹38.30 million**(g) Excess amount for set off, if any**

(Amount in ₹)

Sl. No.	Particular	Amount in million
1	Two percent of average net profit of the Company as per Section 135(5)	34.59
2	Total amount spent for the Financial Year	38.30
3	Excess amount spent for the financial year [(ii)-(i)]	3.71
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set off in succeeding financial years	3.71

**8. (a) Details of Unspent CSR amount for the preceding three financial years:** NA**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Nil**9. 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:** Nil**10. 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: Thrissur  
Date: May 27, 2021

**T. S. Kalyanaraman**  
Chairman & Managing Director  
DIN: 01021928

**TK Seetharam**  
Whole-time Director  
DIN: 01021898

**Annexure 5A to the Board's Report****Form AOC - 1**

(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 statement of subsidiaries/ associate companies/ joint venture

**Part A - Subsidiaries**

1	Name of the Subsidiary	Kenouz Al Sharq Gold Ind LLC	Kalyan Jewellers FZE, UAE	Kalyan Jewellers LLC, UAE	Kalyan Jewellers For Golden Jewelry Company, W.L.L., Kuwait	Kalyan Jewellers LLC, Qatar	Kalyan Jewellers LLC, Oman	Enovate Lifestyles Private Limited	Kalyan Jewellers, INC., USA
2	Reporting period	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	31st March, 2021
3	Reporting currency	AED	AED	AED	KWD	QAR	RO	INR	USD
4	Share capital	300,000	385,000,000	300,000	50,000	200,000	250,000	34,92,580	1
5	Reserves & surplus	(211,521)	(41,091,299)	383,171,147	2,330,781	80,533,553	1,859,788	65,792,557	3,694.84
6	Total assets	49,067,833	757,471,223	828,901,621	7,903,335	211,981,623	10,586,252	242,950,303	3,695.84
7	Total Liabilities	48,979,354	413,562,522	445,430,474	5,522,554	131,248,071	8,476,464	17,36,65,165	0
8	Investments	0	36,61,58,940	18,94,33,679	-	-	-	-	-
9	Turnover	118,587,399	54,151,425	460,765,332	5,556,473	121,575,047	7,647,650	820,515,544	0
10	Profit/(loss) before taxation	(947,386)	(13,808,177)	(53,494,420)	(143,843)	2,363,739	(1,142,452)	25,247,005	952,885.79
11	Profit/(loss) after taxation	(947,386)	(13,808,177)	(53,494,420)	(143,843)	2,363,739	(976,089)	31,475,850	952,885.79

- Names of subsidiaries which are yet to commence operations - Kalyan Jewellers Bahrain W.L.L, Bahrain.
- Names of subsidiaries which have been liquidated or sold during the year - Not Applicable

**Part "B": Associate and Joint Venture - Nil**

On behalf of the Board of Directors

**T. S. Kalyanaraman**  
Chairman & Managing Director  
DIN: 01021928

Place: Thrissur  
Date: May 27, 2021



**Annexure 5 to the Board's Report****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not on arms length basis**

There were no contracts or arrangements, or transactions entered during the year ended March 31, 2021, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at arm's length basis**

There were no material contracts or arrangements, or transactions entered during the year ended March 31, 2021.

On behalf of the Board of Directors

**T. S. Kalyanaraman**  
Chairman & Managing Director  
DIN: 01021928

Place: Thrissur  
Date: May 27, 2021

**Annexure 6 to the Board's Report****Secretarial Audit Report**

**For the Financial year ended March 31, 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  
Kalyan Jewellers India Limited  
CIN: U36911KL2009PLC024641  
TC-32/204/2, Sitaram Mill Road Punnunnam,  
Thrissur - 680 002, Kerala State

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KALYAN JEWELLERS INDIA LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the period covered by my audit, that is to say-April 1, 2020 to March 31, 2021 (hereinafter referred to as '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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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') to the extent it was applicable during the Audit Period:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The following Laws/specific Act(s) and Rules made thereunder specifically applicable to the Company namely:

1. Bureau of Indian Standards (BIS) (Hallmarking)
2. The Legal Metrology Act, 2009



I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the audit period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. I further report that the compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the Industry specific laws as applicable to the Company.

#### **I 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 of meetings of the Board of Directors were given to all directors and agenda and detailed notes on agenda in respect of such meetings were sent at least seven days in advance, other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the Minutes of the Meetings. I did not find any dissenting directors' views in the minutes.

**I 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.

**I further report that** during the Audit Period:

- **INCREASE IN AUTHORISED SHARE CAPITAL AND ALTERATION OF MEMORANDUM OF ASSOCIATION:** At the Annual General Meeting held on 17.08.2020, increased the Authorised Share Capital from ₹14,005,000,000/- divided into

1,200,500,000 Equity shares of ₹10/- each and 200,000,000 Compulsorily Convertible Preference Shares of ₹10/- each to ₹20,005,000,000/- divided into 1,800,500,000 equity shares of ₹10/- each and 200,00,000 Compulsorily Convertible Preference Shares of ₹10/- each and also altered Clause V relating to the Capital clause of its Memorandum of Association as a consequence.

- **SPECIAL RESOLUTION UNDER SECTION 180(1)(c) OF COMPANIES ACT, 2013:** At the Annual General Meeting held on 17/08/2020, passed the special resolution under clause (c) of sub-section (1) of Section 180 of the Companies Act, 2013 enabling the Board of Directors to borrow monies outstanding at any time up to the limit of ₹35,000 million.
- **INVESTMENT IN WHOLLY-OWNED OVERSEAS SUBSIDIARY BY CONVERSION OF LOAN TO EQUITY:** The Company has converted to equity on September 24, 2020, the amount of ₹4,697.56 million which was provided as loan to its overseas wholly-owned subsidiary Company -Kalyan Jewellers FZE, UAE into 235 equity shares of AED 10,00,000 each.
- **APPOINTMENT OF CEO:** Appointed Mr Sanjay Raghuraman as the Chief Executive Officer (CEO) with effect from 01/07/2020 at the meeting of the Board of Directors held on 01/07/2020.
- **APPOINTMENT OF DIRECTORS:** Appointed Mr. Salil Nair (DIN: 01955091) as Non-Executive Director and Mr. Anil Sadasivan Nair (DIN: 08327721) as Independent Director of the Company to hold office for a term of 5 (five) years from 29/05/2020.
- **ALTERATION OF ARTICLES OF ASSOCIATION BY ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION:** In order to align the Articles of Association with the requirements of SEBI Listing Regulations and directions provided by SEBI and Stock Exchanges, the shareholders have approved and adopted a new set of Articles of Association in total exclusion and substitution of the existing Articles of Association by passing the requisite Special Resolution at the meeting of the shareholders of the Company held on 20/08/2020.
- **CONVERSION OF CCPS INTO EQUITY SHARES:** Pursuant to the Share Subscription Agreement dated March 31, 2017, the 119047619 Compulsorily Convertible Preference Shares of ₹10/- each, held by High Dell Investments Limited were converted into 98857435 equity shares of ₹10/- each on March 4, 2021.
- **OFFER OF EQUITY SHARES AND LISTING:** In compliance with the applicable provisions of the SEBI Rules and Regulations, Companies Act, 2013 and Rules made thereunder and other applicable laws in this regard, the Company made an Initial Public Offering (IPO) of 135,057,470 Equity Shares of Face Value ₹10/- each ("Equity Shares") for cash at a price of ₹87/- per equity share (including a share premium of ₹77/- per equity share) aggregating to ₹11,748.16 million comprising of a

fresh issue of 91,954,022 Equity Shares aggregating to ₹7,998.16 million ("Fresh Issue") and an Offer For Sale of 43,103,447 Equity Shares aggregating to ₹3,749.99 million [comprising of 14,367,816 equity shares aggregating to ₹1249.99 million by Mr. T. S. Kalyanaraman (Promoter Selling Shareholder) and of 28,735,632 Equity Shares aggregating to ₹2,499.99 million by Highdell Investments Limited (Investor Selling Shareholder) vide prospectus dated March 19, 2021 (pursuant to Section 32 of the Companies Act, 2013. The offer was a 100% Book Built Offer. The IPO opened for subscription on March 16, 2021 and closed on March 18, 2021 (for Anchor Investors offer was open and closed on March 15, 2021). The offer price was fixed at ₹87/- per equity share of Face Value ₹10/- each. Pursuant to the offer, (i) 91,954,022 Equity shares were allotted at the offer price of ₹87/- per share including share premium of ₹77 per Equity Share under the fresh issue portion of the offer and (ii) 43,103,448 Equity shares offer under the Offer For sale by Mr. T. S. Kalyanaraman and Highdell Investment Limited were transferred at the same offer price of ₹87/- per Equity share including a share premium of ₹77 per Equity share to the respective applicants ]in various categories, in terms of the basis of allotment approved in consultation with the authorised representative of National Stock Exchange Limited ("NSE"), the designated stock exchange. The broad details of allotment or transfer and delivery of the aforesaid 135057470 Equity Shares under the Offer as per the basis of allotment approved by NSE is as under:

Category	Number of Equity Shares allotted
Anchor Investors	40,448,275
Qualified Institutional Bidders (except Anchor Investors)	26,965,517
Non-Institutional Investors	20,224,138
Retail Individual Bidders	47,189,655
Eligible Employees	229,885
<b>TOTAL</b>	<b>135,057,470</b>

The entire Issued, Subscribed & Paid-up capital of the Company consisting of 1030053057 Equity Shares of the Company {with distinctive Numbers 1 to 1,030,053,057} [consisting of IPO Fresh Issue - 91954022 equity shares + Prelisting - 9380099035 equity shares] were duly listed in the National Stock Exchange Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") and admitted to dealings in the said stock exchanges on March 26, 2021 and also communicated to the Company by NSE (Symbol: KALYANKJIL) & BSE (Scrip Code:543278).

- **POLICIES:** The Company has adopted and has in place the required policies as necessary /applicable for a listed company and has hoisted the same in its web site.

- **KALYAN JEWELLERS INDIA LIMITED -EMPLOYEES STOCK OPTION SCHEME:** The Company has formulated and approved the KALYAN JEWELLERS INDIA LIMITED-EMPLOYEES STOCK OPTION PLAN-2020 ["ESOP-2020"] to create, offer, grant, issue and allot up to 30 lakh Employee Stock Options (in one or more tranches) to the Eligible employees of the Company exercisable in aggregate into not more than 30 lakh equity shares of ₹10/-each to be issued to the option grantee upon payment of requisite price as per the provisions of the ESOP-2020. The ESOP-2020 is also extended to permanent employees of the subsidiary Company (ies) of the Company and its eligible directors and other employees as may be permitted under law or by the Board of Directors of the Company as per the provisions of the ESOP-2020.

- **KALYAN JEWELLERS INDIA LIMITED -EMPLOYEES STOCK PURCHASE SCHEME-2020 & KALYAN JEWELLERS EMPLOYEES WELFARE TRUST:** The Company has formulated and approved the KALYAN JEWELLERS INDIA LIMITED-EMPLOYEES STOCK PURCHASE SCHEME -2020 ["ESPS-2020"] to create, issue, offer and allot, from time to time, up to 7.5 lakh equity shares of ₹10/- each to be transferred by Kalyan Jewellers Employee Welfare Trust for the benefit of the employees as per the provisions of the ESPS-2020. The said ESPS-2020 is also extended to permanent employees of the subsidiary Company (ies) of the Company and its eligible directors and other employees as may be permitted under law or by the Board of Directors of the Company as per the provisions of the ESPS-2020. For the effective administration and proper implementation of the ESPS-2020, KALYAN JEWELLERS EMPLOYEE WELFARE TRUST is authorised to acquire Equity shares of the Company to be held by it, not exceeding 0.1% of the paid-up equity shares of the Company. The Company has also authorised the Board of Directors of the Company to grant interest free loan to KALYAN JEWELLERS EMPLOYEE WELFARE TRUST up to 0.1% of the paid-up capital and free reserves as on 31/03/2020 for the acquisition by the said Trust of the equity shares of the Company in one or more tranches, subject to celling of Equity shares to be acquired under the ESPS-2020.

Signature:

Name: **M. R. THIAGARAJAN**

Place: Coimbatore

Company Secretary in Practice

Date: May 27, 2021

ACS 5327

UDIN: A005327C000376610

CP No 6487



## Secretarial Audit Report

For the Financial year ended March 31, 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  
Kalyan Jewellers India Limited  
CIN: U36911KL2009PLC024641  
TC-32/204/2, Sitaram Mill Road  
Punkunnam, Thrissur - 680 002  
Kerala State

### My Report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- I 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 to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- I have not verified the correctness and appropriateness of financial records and books of account of the Company.
- Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 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.

**NOTE:** I have conducted online verification & examination of records as facilitated by the Company due to COVID-19 and subsequent lockdown situation for the purpose of issuing this Report.

Signature:

Name: **M. R. THIAGARAJAN**  
Company Secretary in Practice  
ACS 5327  
CP No. 6487

Place: Coimbatore  
Date: May 27, 2021  
UDIN: A005327C000376610

## Annexure 6.A to the Board's Report

### 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  
Kalyan Jewellers India Limited  
TC-32/204/2 Sitaram Mill Road /Premji Road  
Punkunnam, Thrissur - 680 002

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KALYAN JEWELLERS INDIA LIMITED having CIN:U36911KL2009PLC024641 and having registered office at: TC-32/204/2 Sitaram Mill Road/Premji Road, Punkunnam, Thrissur - 680 002, Kerala (hereinafter referred to as 'Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 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:

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1	ANISH KUMAR SARAF	00322784	23/11/2018
2	AGNIHOTRA DAKSHINA MURTY CHAVALI	00374673	28/03/2016
3	TRIKKUR ANANTHARAMAN SEETHARAMAN	00480136	15/12/2018
4	RAMESH TRIKKUR KALYANARAMAN	01021868	29/01/2009
5	SEETHARAM TRIKKUR KALYANARAMAN	01021898	29/01/2009
6	SEETHARAMA IYER THRIKUR KALYANARAMAN	01021928	29/01/2009
7	KISHORI JAYENDRA UDESHI	01344073	17/01/2018
8	SALIL NAIR	01955091	29/05/2020
9	MAHALINGAM RAMASWAMY	07479866	28/03/2016
10	ANIL SADASIVAN NAIR	08327721	29/05/2020

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on 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.

Signature:

Name: **M. R. THIAGARAJAN**  
Company Secretary in Practice  
ACS 5327  
CP No. 6487

Place: Coimbatore  
Date: May 27, 2021  
UDIN: A005327C000376601

**NOTE:** I have conducted online verification & examination of records as facilitated by the Company due to COVID-19 and subsequent lockdown situation for the purpose of issuing this Certificate.



## Annexure 7 to the Board's Report

**Information Pursuant to Section 197 (12) Read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-2021

Sl. No	Name of Director	Designation	Ratio to median remuneration of the employees
1	ADM Chavali	Independent Director	4.50
2	M Ramaswamy	Independent Director	4.50
3	Kishori Udeshi	Independent Director	4.50
4	TS Anantharaman	Independent Director	4.50
5	Anil S Nair	Independent Director	4.50
6	Salil Nair	Non-Executive Director	4.50
7	Anish Saraf	Non-Executive Nominee Director	-
8	TS Kalyanaraman	Chairman & Managing Director	-
9	TK Seetharam	Whole time Director	520
10	TK Ramesh	Whole time Director	-

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Sl. No	Name of Director/Employee	Designation	% increase in remuneration
1	ADM Chavali	Independent Director	-
2	M Ramaswamy	Independent Director	-
3	Kishori Udeshi	Independent Director	-
4	TS Anantharaman	Independent Director	-
5	Anil S Nair	Independent Director	-
6	Salil Nair	Non-Executive Director	-
7	Anish Saraf	Non-Executive Nominee Director	-
8	TS Kalyanaraman	Chairman & Managing Director	-
9	TK Seetharam	Whole time Director	10
10	TK Ramesh	Whole time Director	-
11	V Swaminathan	Chief Financial Officer	8
12	Sanjay Raghuraman	Chief Executive Officer	47
13	Jishnu RG	Company Secretary and Compliance Officer	14

- iii. The Percentage increase in the median remuneration of employees in the financial year 2020-2021 - No increment was provided for the Financial Year 2020-21 to the other employees.
- iv. The Number of permanent employees on the rolls of the Company - 7,160.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year - No increase was given during the previous year thereby there is no comparison with the managerial remuneration.
- vi. Affirmation that the remuneration is as per the remuneration policy of the company -Yes

## Independent Auditor's Report

To The Members of **Kalyan Jewellers India Limited**

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 audit opinion on the standalone financial statements.

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Kalyan Jewellers India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b>Existence of inventory:</b></p> <p>Refer Note 9 "Inventory" to the Standalone Financial Statements.</p> <p>The Company's inventories primarily comprises jewellery of gold, diamonds, gemstones etc. ("inventory")</p> <p>We have considered existence of inventory to be a key focus area for our audit due to:</p> <ol style="list-style-type: none"> <li>the high value and nature of inventory involved could lead to a significant risk of loss of inventory</li> <li>inventory being held at various locations across the country and third party job workers.</li> </ol>	<p><b>Our principal audit procedures performed, among other procedures, included the following:</b></p> <ul style="list-style-type: none"> <li>obtained an understanding of the management's process for safeguarding and physical verification of inventories including the appropriateness of the Company's procedures for conducting, reconciling and recording physical verification of inventories.</li> <li>evaluated the design and implementation of relevant controls and carried out the testing of operating effectiveness of controls over conducting, reconciling and recording physical verification of inventories.</li> <li>tested the operating effectiveness of controls around the IT systems for recording of inward and outward movements of inventory.</li> <li>For a sample of locations, we performed the following procedures: <ul style="list-style-type: none"> <li>attended physical verification of stocks conducted by the Company at the year end.</li> <li>also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records.</li> <li>we also verified the caratage of the jewellery on a sample basis during our attendance at the physical verification.</li> </ul> </li> <li>For stock held with the third-party job workers, we obtained independent confirmations of inventories held with them.</li> </ul>



### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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 our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed

as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**Balaji M. N.**

Partner

(Membership No. 202094)

UDIN: 21202094AAAADJ4536

Place: Bengaluru  
Date: May 27, 2021



## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section 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 Kalyan Jewellers India Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 its business, including adherence to respective 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 Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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 judgement, 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 system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based

on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**Balaji M. N.**  
Partner

(Membership No. 202094)

UDIN: 21202094AAAADJ4536

Place: Bengaluru  
Date: May 27, 2021



## Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph (2) under “Report on Other Legal and Regulatory Requirements” Section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. demands has been raised, there has been no default on the part of the parties to whom the monies have been lent.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification. (c) There is no amount overdue for more than 90 days at the balance sheet date.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, 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 the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act, for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. In respect of the loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013:
- (a) In our opinion and according to the information given to us, the terms and conditions of the loans given by the Company are *prima facie*, not prejudicial to the interest of the Company.
- (b) The Company has granted loans that are re-payable on demand to companies covered in the register maintained under Section 189 of the Act. We are informed that the repayment of loan will be received as and when the demands are raised; and since no

- (c) Details of dues of Service Tax, and Sales Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

(₹ in million)				
Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Unpaid
Kerala Value Added Tax Act, 2003	Kerala VAT dues	Deputy/Assistant Commissioner (Appeals)/ Appellate Tribunal/ High Court	2009-10 to 2017-18	5931.50 <sup>1</sup>
Maharashtra Value Added Tax, 2006	Maharashtra Nadu VAT dues	Assessing Authority Maharashtra	2015-16	38.27 <sup>2</sup>
Orissa Value Added Tax, 2004	Orissa VAT dues	Deputy commissioner of sales tax, Bhubaneswar	April 2015 - September 2016	1.80 <sup>3</sup>
The Gujarat Value Added Tax Act, 2003	Gujarat VAT dues	Assistant Commissioner, Commercial Tax, Ahmedabad	2013-14	12.78 <sup>4</sup>
The Finance Act, 1994	Service tax dues	Assistant Commissioner - CESTAT	2013-14 to Q1 of 2017 -18	20.24 <sup>5</sup>

<sup>1</sup> Net of ₹10.87 million paid under protest.

<sup>2</sup> Net of ₹1.79 million paid under protest.

<sup>3</sup> Net of ₹0.70 million paid under protest.

<sup>4</sup> Net of ₹3.20 million paid under protest.

<sup>5</sup> Net of ₹1.76 million paid under protest.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- ix. In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/further public offer (including debt instruments) have been applied by the Company during the year for the purposes for which they were raised. xiv. According to the information and explanations given to us, the Company has not made preferential allotment through private placement of shares during the year under review.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year. xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Act are not applicable.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to Act. xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, Place: Bengaluru Date: May 27, 2021

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**Balaji M. N.**  
Partner  
(Membership No. 202094)

UDIN: 21202094AAAADJ4536



## Standalone Balance Sheet

as at March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	8,287.26	9,136.44
Capital work-in-progress		526.53	242.22
Right-of-use assets	4	5,337.72	5,837.34
Investment property	5	611.36	622.29
Intangible assets	3B	72.71	81.43
Intangible assets under development		3.80	2.22
Financial assets			
Investments	6	7,548.49	2,730.69
Other financial assets	7	923.13	587.40
Deferred tax assets (net)	29	415.82	76.32
Other assets	8	581.63	617.31
<b>Total non-current assets</b>		<b>24,308.45</b>	<b>19,933.66</b>
<b>Current assets</b>			
Inventories	9	43,881.32	36,357.36
Financial assets			
Loans	10	624.09	4,685.18
Trade receivables	11	39.91	20.72
Cash and cash equivalents	12	3,082.05	1,247.33
Bank balances other than cash and cash equivalents	12	5,912.95	3,398.06
Other financial assets	7	496.11	969.70
Other assets	8	779.47	461.73
<b>Total current assets</b>		<b>54,815.90</b>	<b>47,140.08</b>
<b>Total assets</b>		<b>79,124.35</b>	<b>67,073.74</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	10,300.53	8,392.42
Compulsorily convertible preference share capital	13	-	1,190.48
Other equity	14	19,953.95	11,990.80
<b>Total equity</b>		<b>30,254.48</b>	<b>21,573.70</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	161.54	375.07
Lease liabilities	16	6,044.09	6,484.63
Provisions	17	276.30	238.58
<b>Total non-current liabilities</b>		<b>6,481.93</b>	<b>7,098.28</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	13,703.20	18,687.22
Metal gold loan	18	10,030.01	6,021.55
Lease liabilities	16	674.35	635.92
Trade payables	19	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		5,580.51	2,992.19
Other financial liabilities	20	2,257.23	592.27
Provisions	17	94.45	67.91
Other current liabilities	21	9,390.76	8,941.87
Current tax liabilities (net)	22	657.43	462.83
<b>Total current liabilities</b>		<b>42,387.94</b>	<b>38,401.76</b>
<b>Total equity and liabilities</b>		<b>79,124.35</b>	<b>67,073.74</b>

Summary of significant accounting policies (refer note 2).  
See accompanying notes forming part of the standalone financial statements.

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Balaji M. N.**  
Partner  
(Membership No. 202094)

**T. S. Kalyanaraman**  
Managing Director  
DIN: 01021928

**Sanjay Raghuraman**  
Chief Executive Officer

Place: Thrissur  
Date: May 27, 2021

For and on behalf of Board of Directors

**T. K. Ramesh**  
Director  
DIN: 01021868

**V. Swaminathan**  
Chief Financial Officer

**T. K. Seetharam**  
Director  
DIN: 01021898

**Jishnu R. G.**  
Company Secretary

Place: Bengaluru  
Date: May 27, 2021



## Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	23	73,255.09	78,458.26
Other income	24	528.68	982.96
<b>I. Total income</b>		<b>73,783.77</b>	<b>79,441.22</b>
<b>Expense</b>			
Cost of materials consumed	25	66,073.64	64,922.72
Changes in inventories of finished goods and work-in-progress	25	(5,232.19)	(373.92)
Employee benefits expense	26	2,868.30	3,000.70
Finance costs	27	3,160.68	3,131.27
Depreciation and amortisation expense	3C	1,740.23	1,859.75
Other expenses	28	3,298.26	4,547.44
<b>II. Total expenses</b>		<b>71,908.92</b>	<b>77,087.96</b>
<b>III. Profit before tax (I - II)</b>		<b>1,874.85</b>	<b>2,353.26</b>
<b>IV. Tax expense</b>	29		
Current tax		759.07	590.53
Deferred tax		(266.54)	199.22
<b>Total tax expense</b>		<b>492.53</b>	<b>789.75</b>
<b>V. Profit for the year (III - IV)</b>		<b>1,382.32</b>	<b>1,563.51</b>
<b>VI. Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of employee defined benefit plans		(15.57)	(10.18)
Income tax on above		3.92	(6.67)
<b>Items that will be reclassified to profit or loss</b>			
Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge		(274.29)	59.95
Income tax on above		69.04	(19.85)
<b>Total comprehensive income for the year (V + VI)</b>		<b>1,165.42</b>	<b>1,586.76</b>
<b>Earnings per equity share of face value of ₹10/-</b>			
Basic	31	1.63	1.86
Diluted	31	1.44	1.63

Summary of significant accounting policies (refer note 2).  
See accompanying notes forming part of the standalone financial statements.

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Balaji M N**  
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Chief Financial Officer

**Jishnu R. G.**  
Company Secretary

Place: Bengaluru  
Date: May 27, 2021

Place: Thrissur  
Date: May 27, 2021

## Standalone Statement of Changes in Equity

for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### A. Equity shares with Voting Rights

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹	No. of shares	₹
Opening balance	83,92,41,600	8,392.42	83,92,41,600	8,392.42
Transactions during the year	19,08,11,457	1,908.11	-	-
<b>Closing balance</b>	<b>1,03,00,53,057</b>	<b>10,300.53</b>	<b>83,92,41,600</b>	<b>8,392.42</b>

### B. 0.001% Compulsorily Convertible Preference Shares of ₹10 each

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	₹	No. of shares	₹
Opening balance	11,90,47,619	1,190.48	11,90,47,619	1,190.48
Transactions during the year	(11,90,47,619)	(1,190.48)	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>11,90,47,619</b>	<b>1,190.48</b>

### C. Other Equity

Particulars	Reserves & Surplus		Other Comprehensive Income		Total equity
	Securities premium	Retained earnings	Fair value change of hedging instruments in cash flow hedge	Employee defined benefit plan	
<b>Balance as at March 31, 2019</b>	<b>9,208.10</b>	<b>2,565.78</b>	<b>(40.09)</b>	<b>(62.35)</b>	<b>11,671.44</b>
Ind AS 116 impact on retained earnings (net of taxes)	-	(1,267.39)	-	-	(1,267.39)
Profit for the year (net of taxes)	-	1,563.51	-	-	1,563.51
Other Comprehensive Income for the year (net of taxes)	-	-	40.09	(16.85)	23.24
<b>Balance as at March 31, 2020</b>	<b>9,208.10</b>	<b>2,861.90</b>	<b>-</b>	<b>(79.20)</b>	<b>11,990.80</b>
Profit for the year (net of taxes)	-	1,382.32	-	-	1,382.32
Add: Premium arising on shares issued during (refer note 13(v) and (vi))	6,797.73	-	-	-	6,797.73
Other Comprehensive Income for the year (net of taxes)	-	-	(205.25)	(11.65)	(216.90)
<b>Balance as at March 31, 2021</b>	<b>16,005.83</b>	<b>4,244.22</b>	<b>(205.25)</b>	<b>(90.85)</b>	<b>19,953.95</b>

Summary of significant accounting policies (refer note 2).

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
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 Company Secretary

Place: Bengaluru  
 Date: May 27, 2021

Place: Thrissur  
 Date: May 27, 2021



## Standalone of Statement of Cash flows

for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	1,874.85	2,353.26
<b>Adjustments for</b>		
Depreciation of property, plant and equipment and amortisation of intangible assets	914.18	947.31
Amortisation on right-of-use assets	826.05	912.44
Net loss/(gain) on disposal of property, plant and equipment	(1.00)	(1.66)
Property, plant and equipment written off	175.38	137.76
Credit impaired trade and other advances written off	28.39	56.66
Interest income	(296.97)	(296.43)
Net unrealised exchange loss/(gain)	4.34	(358.34)
Unrealised loss/(gain) on derivative financial instruments	203.11	-
Gain on lease modification	(99.71)	(270.79)
Liabilities no longer required written back	-	(5.42)
Interest expense	3,066.00	3,025.37
<b>Operating profit before working capital changes</b>	<b>6,694.62</b>	<b>6,500.16</b>
<b>Adjustments for:</b>		
(Increase)/decrease in inventories	(7,164.39)	(773.24)
(Increase)/decrease in trade receivables	(19.19)	29.60
(Increase)/decrease in loans and other current financial assets	(541.90)	(817.12)
(Increase)/decrease in other current assets	(346.13)	191.88
(Increase)/decrease in other non-current financial assets	(49.25)	(71.45)
(Increase)/decrease in other non-current assets	(2.79)	18.93
Increase/(decrease) in metal gold loan	4,008.46	(3,395.92)
Increase/(decrease) in trade payables	2,588.32	154.23
Increase/(decrease) in non-current and current provisions	48.69	43.10
Increase/(decrease) in other financial liabilities	58.28	-
Increase/(decrease) in other current liabilities	448.89	(249.87)
<b>Cash generated from operations</b>	<b>5,723.61</b>	<b>1,630.30</b>
Net income tax paid	(564.47)	(68.73)
<b>Net cash flow from/(used in) operating activities [A]</b>	<b>5,159.14</b>	<b>1,561.57</b>
<b>B. Cash flow from investing activities</b>		
Payments for property, plant and equipment, intangibles (including capital work-in-progress and capital advances)	(475.19)	(862.34)
Proceeds from sale of property, plant and equipment and intangibles	2.99	104.51
Bank balances not considered as cash and cash equivalents	(2,790.66)	601.08
Investment in subsidiaries	(120.24)	(60.00)
Interest received	283.75	255.38
<b>Net cash flow from / (used in) investing activities [B]</b>	<b>(3,099.35)</b>	<b>38.63</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	-	4,211.64
Repayment of borrowings	(4,062.38)	(1,930.80)
Proceeds from issue of equity shares (net of share issue expenses)	7,564.72	-
Payment towards lease liabilities	(1,344.20)	(586.99)
Finance costs on borrowings	(2,383.21)	(2,951.51)
<b>Net cash from / (used in) financing activities [C]</b>	<b>(225.07)</b>	<b>(1,257.66)</b>
<b>Net increase / (decrease) in Cash and cash equivalents [A+B+C]</b>	<b>1,834.72</b>	<b>342.54</b>
Cash and cash equivalents at the beginning of the year (refer note 12)	1,247.33	904.79
<b>Cash and cash equivalents at the end of the year (refer note 12)</b>	<b>3,082.05</b>	<b>1,247.33</b>

Summary of significant accounting policies (refer note 2).

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached  
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 Company Secretary

Place: Bengaluru  
 Date: May 27, 2021

Place: Thrissur  
 Date: May 27, 2021

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

### 1. General Information

Kalyan Jewellers India Limited ('Kalyan' or 'the Company') is a closely held public limited company incorporated in India. Kalyan is one of the leading jewellery chains in India headquartered in the city of Thrissur in Kerala. The Company was formed in year 2009 by conversion of erstwhile business entities of M/s. Kalyan Jewellers. As of March 31, 2021, the Company has 107 stores located across India. The Company also has operations in Middle East through a wholly-owned subsidiary and step-down subsidiaries.

The Company was converted in to a public limited company effective from June 15, 2016

### 2. Significant Accounting Policies

#### (i) Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Company has consistently applied accounting policies to all years. Comparative Financial information has been regrouped, wherever necessary, to correspond to the figures of the current year.

#### (ii) Basis of Preparation and Presentation

The standalone financial statements have been prepared on accrual basis under the historical cost convention except for the certain financial instruments that are measured at fair values as required by relevant Ind AS:

- certain financial assets and liabilities (including derivative instruments)
- defined employee benefit plans - plan assets are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

#### (iii) Use of Estimates and Judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of standalone financial statements. The actual outcome may diverge from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Useful Lives of Property, Plant and Equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

#### Fair Value of Financial Assets and Liabilities and Investments:

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

#### (iv) Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

#### (v) Revenue Recognition

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

- Sale of goods: Revenue from the sale of products is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

- Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset of that asset's net carrying amount on initial recognition.

#### (vi) Leases

The Company's lease asset classes consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

#### (vii) Foreign Currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge, if any.

#### (viii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



## Notes

forming part of standalone financial statements for the year ended March 31, 2021

### (ix) Employee Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

#### Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, and other benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### Defined Contribution Plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined Benefit Plan

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity fund is unfunded. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net

interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

### (x) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

- Current tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- Deferred tax: Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### (xi) Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies

Act, 2013 except in respect of Aeroplanes/ Helicopters (30 years with an estimated residual value of 5%), in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of the tangible assets and the useful life are reviewed at the end of each financial year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

### (xii) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

### (xiii) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of



## Notes

forming part of standalone financial statements for the year ended March 31, 2021

maintenance expenditures required to obtain the expected future cash flows from the asset.

Estimated useful lives of the intangible assets is 5 years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### (xiv) Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### (xv) Inventories

Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed gold)] are stated at the lower of cost and net realisable value. In respect of gold, cost is determined on first-in-first-out basis, for silver cost is determined on annual weighted average basis and in respect of studded jewellery is determined on specific identification basis.

Unfixed gold is valued at the gold prices prevailing on the period closing date.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### (xvi) Provisions and Contingencies

**Provisions:** A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

**Contingent liabilities:** Contingent liabilities are not recognised but are disclosed in notes to accounts.

### (xvii) Investment in Subsidiaries

Investments representing investments in subsidiaries are measured at cost.

### (xviii) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

**a) Non-derivative Financial Assets:** All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

### Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is that which exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**b) Derecognition of Financial Assets:** A financial asset is derecognised only when the Company

- has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Were the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**c) Foreign Exchange Gains and Losses:** The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss.

**d) Financial Liabilities:** All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

### Financial Liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

### Financial Liabilities Subsequently Measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.



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The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Foreign Exchange Gains and Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

### Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

### (xix) Hedge Accounting

The Company designates certain hedging instruments as fair value hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly

effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

### Fair Value Hedges

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

### Cash Flow Hedges

Derivative financial instruments to manage risks associated with gold and foreign currency price fluctuations relating to certain existing liabilities, highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments fall under the category of cash flow hedges. The Group has designated derivative financial instruments taken for gold and foreign currency price fluctuations as cash flow hedges relating to certain existing liabilities and highly probable forecast transactions.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of profit and loss.

(xx) If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated

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in hedging reserve is recognised immediately to the statement of profit and loss. The Group has designated derivative financial instruments taken for gold price fluctuations as cash flow hedges relating to highly probable forecasted transactions under the previous GAAP. **Segment reporting**

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). The Company is reported at an overall level, and hence there are no separate reportable segments as per Ind AS 108.

### (xxi) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

### (xxii) Earnings Per Share (EPS)

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the profit or loss attributable to ordinary equity holders by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares

that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

### (xxiii) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### (xxiv) Recent Ind AS and Other Statutory/Legal Announcements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 3A. Property, Plant and Equipment

Description of Assets	Freehold Land	Helipad	Buildings	Plant & machinery	Office equipment	Computers	Furniture and fixtures	Aeroplanes/helicopters	Vehicles	Total
<b>I. At cost or deemed cost</b>										
<b>Balance as at March 31, 2019</b>	<b>1,828.12</b>	<b>31.82</b>	<b>978.48</b>	<b>45.00</b>	<b>853.48</b>	<b>105.53</b>	<b>5,537.74</b>	<b>2,700.53</b>	<b>376.22</b>	<b>12,456.92</b>
Additions	14.81	-	17.57	2.03	54.60	6.03	528.08	-	16.47	639.59
Disposals	-	-	-	-	(2.06)	-	(186.84)	-	(9.43)	(198.33)
<b>Balance as at March 31, 2020</b>	<b>1,842.93</b>	<b>31.82</b>	<b>996.05</b>	<b>47.03</b>	<b>906.02</b>	<b>111.56</b>	<b>5,878.98</b>	<b>2,700.53</b>	<b>383.26</b>	<b>12,898.18</b>
Additions	7.15	-	3.85	0.69	29.92	11.16	177.78	-	16.43	246.98
Transfer from investment property	10.93	-	-	-	-	-	-	-	-	10.93
Disposals	-	-	-	(0.51)	(20.80)	(1.88)	(426.13)	-	(8.86)	(458.18)
<b>Balance as at March 31, 2021</b>	<b>1,861.01</b>	<b>31.82</b>	<b>999.90</b>	<b>47.21</b>	<b>915.14</b>	<b>120.84</b>	<b>5,630.63</b>	<b>2,700.53</b>	<b>390.83</b>	<b>12,697.91</b>
<b>II. Accumulated depreciation</b>										
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>5.78</b>	<b>99.37</b>	<b>10.12</b>	<b>582.22</b>	<b>96.08</b>	<b>1,613.64</b>	<b>362.01</b>	<b>185.98</b>	<b>2,955.20</b>
Charge for the year	-	1.02	33.14	3.32	111.25	6.34	612.27	89.60	53.19	910.13
Disposals	-	-	-	-	(1.51)	-	(93.78)	-	(8.30)	(103.59)
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>6.80</b>	<b>132.51</b>	<b>13.44</b>	<b>691.96</b>	<b>102.42</b>	<b>2,132.13</b>	<b>451.61</b>	<b>230.87</b>	<b>3,761.74</b>
Charge for the year	-	1.05	33.83	3.37	88.90	6.04	609.06	89.61	51.98	883.84
Disposals	-	-	-	(0.08)	(18.15)	(1.70)	(208.14)	-	(6.86)	(234.93)
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>7.85</b>	<b>166.34</b>	<b>16.73</b>	<b>762.71</b>	<b>106.76</b>	<b>2,533.05</b>	<b>541.22</b>	<b>275.99</b>	<b>4,410.65</b>
<b>Carrying value (I-II)</b>										
<b>Balance as at March 31, 2021</b>	<b>1,861.01</b>	<b>23.97</b>	<b>833.56</b>	<b>30.48</b>	<b>152.43</b>	<b>14.08</b>	<b>3,097.58</b>	<b>2,159.31</b>	<b>114.84</b>	<b>8,287.26</b>
<b>Balance as at March 31, 2020</b>	<b>1,842.93</b>	<b>25.02</b>	<b>863.54</b>	<b>33.59</b>	<b>214.06</b>	<b>9.14</b>	<b>3,746.85</b>	<b>2,248.92</b>	<b>152.39</b>	<b>9,136.44</b>

### 3B. Intangible Assets

Description of Assets	Software
<b>I. At cost or deemed cost</b>	
<b>Balance as at March 31, 2019</b>	<b>202.86</b>
Additions	31.01
Disposals	(19.10)
<b>Balance as at March 31, 2020</b>	<b>214.77</b>
Additions	21.62
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>236.39</b>
<b>II. Accumulated amortisation</b>	
<b>Balance as at March 31, 2019</b>	<b>107.13</b>
Charge for the year	37.18
Disposals	(10.97)
<b>Balance as at March 31, 2020</b>	<b>133.34</b>
Charge for the year	30.34
Disposals	-
<b>Balance as at March 31, 2021</b>	<b>163.68</b>
<b>Carrying value (I-II)</b>	
<b>Balance as at March 31, 2021</b>	<b>72.71</b>
<b>Balance as at March 31, 2020</b>	<b>81.43</b>

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 3C. Depreciation and Amortisation Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	883.84	910.13
Amortisation of intangible assets	30.34	37.18
Amortisation of right-of-use assets	826.05	912.44
<b>Total</b>	<b>1,740.23</b>	<b>1,859.75</b>

### 4. Right-of-use Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Right-of-use assets (ROU) at the beginning of the year as per Ind AS 116	<b>5,837.34</b>	<b>5,901.94</b>
Transfer from deferred rent	-	465.09
Add: Addition during the year on account of new leases	683.09	994.50
Less: Impact on lease modification	(321.16)	(411.06)
Less: Impact on lease termination	(35.50)	(200.69)
Less: Amortised during the year	(826.05)	(912.44)
<b>Closing balance (refer note 36)</b>	<b>5,337.72</b>	<b>5,837.34</b>

### 5. Investment Property

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cost or deemed cost</b>		
<b>Opening balance</b>	622.29	622.29
Additions/(Disposals)	-	-
Transfer to property, plant and equipment	(10.93)	-
<b>Closing balance (i)</b>	<b>611.36</b>	<b>622.29</b>

(i) The Company's investment properties consist only of free hold land and therefore no depreciation is chargeable.

The Company's investment properties consist of seven properties in the nature of free hold land in India. As at March 31, 2021 and March 31, 2020, the fair value of the properties is ₹1,840 and ₹1,778 respectively. These are based on valuations performed by independent valuers for the purposes of bank financing at the time availing/renewing such financing facility. The fair value hierarchy is at level 2, which is derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. (Refer note 35b for note on fair value hierarchy).

### 6. Investments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investment in equity instruments (unquoted, carried at cost)</b>		
<b>In wholly-owned subsidiary companies</b>		
Kalyan Jewellers FZE	7,212.99	2,515.43
(385 shares (March 31, 20: 150 shares) of 1,000,000 AED each fully paid-up)		
(i) Kalyan Jewellers Inc.	0.00	0.00
(1,000 shares (March 31, 20: 1,000) of 0.001 USD each fully paid-up)		
<b>In subsidiaries</b>		
Enovate Lifestyles Private Limited	335.50	215.26
(3,24,810 shares of ₹10 each fully paid-up (March 31, 2020: 269,770 shares of ₹10 each, of which 109,770 shares fully paid-up and 1,60,000 shares partly paid-up of ₹8.80 each))		
<b>Total</b>	<b>7,548.49</b>	<b>2,730.69</b>



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(Amounts in ₹ million, except for shares data or as otherwise stated)

- (i) The value of investment in Kalyan Jewelers, Inc., USA is ₹31.10 only on account of the standalone financial statements being rounded off to the nearest ₹million, the above item is presented as '0.00' million.

### 7. Other Financial Assets

(Unsecured and considered good, unless otherwise specified)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Measured at amortised cost</b>		
Security deposits	587.00	527.04
Earmarked deposits with remaining maturity period greater than 12 months	336.13	60.36
<b>Total</b>	<b>923.13</b>	<b>587.40</b>
<b>Current</b>		
<b>Measured at amortised cost unless otherwise specified</b>		
Interest accrued on loans and deposits		
- Loan to subsidiaries (refer note 34)	156.78	267.87
- Deposits	8.39	23.49
Security deposits	330.94	318.76
Derivative financial instruments not designated as hedging, carrying at fair value		
- Forward Contracts	-	359.58
<b>Total</b>	<b>496.11</b>	<b>969.70</b>

### 8. Other Assets

(Unsecured and considered good)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Capital advance	34.64	73.11
Deferred rental reserve		
- Opening balance	-	465.09
- Transferred to ROU	-	(465.09)
Balances with revenue authorities		
- Amount paid under protest	52.32	49.53
- Dues from Kerala VAT Department	494.67	494.67
<b>Total</b>	<b>581.63</b>	<b>617.31</b>
<b>Current</b>		
Balances with revenue authorities	170.91	166.13
Prepaid expenses	58.87	94.69
Advance to suppliers	418.56	126.06
Other assets	131.13	74.85
<b>Total</b>	<b>779.47</b>	<b>461.73</b>

### 9. Inventories

(lower of cost and net realisable value)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	6,096.35	3,804.58
Work-in-progress	8,646.51	7,385.36
Finished goods	29,138.46	25,167.42
<b>Total</b>	<b>43,881.32</b>	<b>36,357.36</b>

Note (i) - The cost of inventories recognised as expense during the year ended is ₹60,841.45 (March 31, 2020: 64,548.80)

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 10. Loans

(Unsecured and considered good, unless otherwise specified)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Measured at amortised cost</b>		
Loans to subsidiaries (refer note 34)		
- Considered good	624.09	4,685.18
- Considered doubtful	10.40	-
Less: Provision for impairment of doubtful loans	(10.40)	-
<b>Total</b>	<b>624.09</b>	<b>4,685.18</b>

### 11. Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>		
Considered good	39.91	20.52
Considered doubtful	6.17	9.02
Less: Provision for credit impaired trade receivables	(6.17)	(8.82)
<b>Total</b>	<b>39.91</b>	<b>20.72</b>

The Company generally operates on a cash and carry model, and hence the expected credit loss allowance for trade receivables is insignificant. The concentration of credit risk is also limited due to the fact that the customer base is large and unrelated.

### 12. Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Cash and cash equivalents</b>		
Cash in hand	191.17	90.79
Balances with banks		
Current accounts	761.34	1,123.23
Funds in transit	129.54	33.31
Fixed deposits	2,000.00	-
<b>Total cash and cash equivalents as per Ind AS 7</b>	<b>3,082.05</b>	<b>1,247.33</b>
<b>Bank Balances other than cash and cash equivalents above</b>		
Fixed deposits held as margin money against borrowings and guarantees (maturity of less than 12 months from the balance sheet date)	4,733.12	3,261.88
Balances with banks held as margin money/ Escrow account	1,179.83	136.18
<b>Total</b>	<b>5,912.95</b>	<b>3,398.06</b>

The deposits maintained by the Company with banks comprise time deposits, (excluding the fixed deposits held as margin money) which can be withdrawn by the Company at any point without prior notice or penalty on the principal.



## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 13 Equity

Particulars	As at March 31, 2021		As a March 31, 2020	
	No. of shares	₹	No. of shares	₹
<b>Authorised</b>				
Equity shares of ₹10 each with voting rights	1,80,05,00,000	18,005.00	1,20,05,00,000	12,005.00
0.001% Compulsorily convertible preference shares of ₹10 each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹10 each with voting rights	1,03,00,53,057	10,300.53	83,92,41,600	8,392.42
0.001% Compulsorily convertible preference shares of ₹10 each	-	-	11,90,47,619	1,190.48
<b>Total</b>	<b>1,03,00,53,057</b>	<b>10,300.53</b>	<b>95,82,89,219</b>	<b>9,582.90</b>

(i) Pursuant to a confirmation order dated August 7, 2019 under Section 233 of the Companies Act, the Regional Director, Ministry of Corporate Affairs, Chennai had confirmed the scheme of amalgamation between Kalyan Jewellers Mini Stores Private Limited and Kalyan Jewellers India Limited and consequent to that the authorised capital of the Company is increased to ₹ 14,005 divided into 1,20,05,00,000 equity shares of ₹10 each and 20,00,00,000 Compulsorily convertible preference shares of ₹10 each. During the year the authorised share capital was further increased to ₹20,005 divided into 1,80,05,00,000 equity shares of ₹10 each and 20,00,00,000 compulsorily convertible preference shares of ₹10 each pursuant in connection with Initial Public Offering.

#### (ii) Rights, Preferences and Restrictions Attached to Shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each share holder is entitled for one vote. As per the terms of the Share holder's Agreement, the Company shall declare an annual dividend payable to the share holders in proportion to the respective equity shares held by them on a fully diluted basis. However during the current year the share holders have waived their rights to receive dividend. Repayment of share capital on liquidation will be in proportion to the number of equity shares held.

#### (iii) Reconciliation of the Shares Outstanding at the Beginning and at the End of the Year

Particulars	As at March 31, 2021		As a March 31, 2020	
	No. of shares	₹	No. of shares	₹
<b>Equity shares with voting rights</b>				
Opening balance	83,92,41,600	8,392.42	83,92,41,600	8,392.42
Add: Transactions during the year (Refer note (v and vi) below)	19,08,11,457	1,908.11	-	-
<b>Closing balance</b>	<b>1,03,00,53,057</b>	<b>10,300.53</b>	<b>83,92,41,600</b>	<b>8,392.42</b>
<b>0.001% Compulsorily convertible preference shares of ₹10 each</b>				
Opening balance	11,90,47,619	1,190.48	11,90,47,619	1,190.48
Add: Transactions during the year (Refer note (v) below)	(11,90,47,619)	(1,190.48)	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>11,90,47,619</b>	<b>1,190.48</b>

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### (iv) Shareholders Holding More than 5% Shares in the Company

Particulars	As at March 31, 2021		As a March 31, 2020	
	No. of shares held	%	No. of shares held	%
<b>Equity shares with voting rights</b>				
T. S. Kalyanaraman	21,56,44,676	20.94%	21,80,88,480	25.99%
T. K. Seetharam	18,60,19,542	18.06%	13,83,23,492	16.48%
T. K. Ramesh	18,60,19,542	18.06%	13,83,23,492	16.48%
Highdell Investment Ltd.	27,15,39,787	26.36%	20,14,17,984	24.00%
<b>(v) 0.001% Compulsorily convertible preference shares of ₹10 each</b>				
Highdell Investment Ltd.	-	0%	11,90,47,619	100%

(v) Pursuant to the Subscription and Share Purchase Agreement dated March 31, 2017, entered into between the Company, its Promoters, Investor and Other Sellers as defined in the agreement, the Company has issued 0.001% 11,90,47,619 Compulsorily Convertible Preference Shares (CCPS) of ₹10/- each at a premium of ₹32/- each to Highdell Investment Ltd. ("Investor"), the proceeds of which shall be used for purposes of funding the growth and expansion of the Company, meeting the working/capital expenditure and for the general corporate purposes. The preference shares are Compulsorily Convertible into equity shares based on various conversion and exit options at an agreed internal rate of return as per the terms of agreement. CCPS have been fully converted into 9,88,57,435 equity shares of ₹10 each on March 4, 2021 at an aggregate premium of ₹201.90 million and the corresponding credit has been accounted under securities premium reserve.

(vi) The Company completed the Initial Public Offer ('IPO') its equity shares during the year in March and listed its shares on Bombay Stock Exchange and National Stock Exchange on March 26, 2021. Pursuant to IPO, the Company allotted 9,17,24,137 fresh equity shares of ₹10 each to public and 229,885 fresh equity shares of ₹10 each to employees of the Company at a premium of ₹77 per equity share and ₹69 per equity share respectively on March 24, 2021. The total share premium arising on IPO amounting to ₹7,078.62 million has been accounted under securities premium reserve and the IPO related expenses amounting to ₹482.80 million, being company's share of total estimated IPO expense has been adjusted against the premium amount as above. Upon actualisation of final IPO expense, the difference, if any, between the estimate and the actual expense will be adjusted against the securities premium account in the period in which such actualisation takes place.

As part of the IPO, there was also offloading of shares through Offer For Sale ('OFS') by Mr. T. S. Kalyanaraman ('promoter') and Highdell Investment Ltd. ('investor') totalling to ₹1,250 million and ₹2,500 million respectively. The IPO expense attributable to OFS has been estimated at ₹240.21 million against which an amount of ₹289.57 million was retained from the OFS consideration and balance of ₹49.36 million being refundable to promoter and investor has been disclosed under Note 19 - Other Financial Liabilities as 'Dues to promoter and investor'.

### 14. Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Securities premium reserve	16,005.83	9,208.10
(ii) Retained earnings	4,244.22	2,861.90
(iii) Other comprehensive income	(296.10)	(79.20)
<b>Total</b>	<b>19,953.95</b>	<b>11,990.80</b>



## Notes

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(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Securities premium reserve</b>		
Balance at beginning of the year	9,208.10	9,208.10
Add: Premium arising on shares issued during the year (Refer note 13 (v) and (vi))	7,280.53	-
Less: Expenses relating to IPO netted off against the above (Refer note 13 (vi))	(482.80)	-
Balance at the end of the year	<b>16,005.83</b>	<b>9,208.10</b>
<b>(ii) Retained earnings</b>		
Balance at beginning of the year	2,861.90	2,565.78
Ind AS 116 impact on retained earning	-	(1,267.39)
Profit attributable to owners of the Company	1,382.32	1,563.51
Balance at the end of the year	<b>4,244.22</b>	<b>2,861.90</b>
<b>(iii) Other comprehensive income</b>		
Balance at beginning of the year	(79.20)	(102.44)
Remeasurement of defined benefit obligations (net of tax)	(11.65)	(16.85)
Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge (net of tax)	(205.25)	40.09
Balance at the end of the year	<b>(296.10)</b>	<b>(79.20)</b>

### (iv) Nature and purpose of other reserve

Securities premium: Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings/ Surplus: Retained earnings are the profits/ loss that the Company has earned/ incurred till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

Items of other comprehensive income consists of effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge and remeasurement of net defined benefit liability/asset.

## 15. Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
(i) Terms loans from banks - secured	1,733.81	812.17
Less: Current maturities of long-term debt	(1,572.27)	(437.10)
<b>Total</b>	<b>161.54</b>	<b>375.07</b>
<b>Current</b>		
(ii) Loans repayable on demand from banks - secured	13,703.20	18,687.22
<b>Total</b>	<b>13,703.20</b>	<b>18,687.22</b>

### (i) Details of Terms of Repayment of Long-Term Borrowings (Non-Current) and Interest Thereon are as Follows:

Terms of repayment	As at March 31, 2021	As at March 31, 2020
<b>Term loan I</b>		
Repayable in 46 monthly instalments commencing from June 2017 and ending in September 2021 amounting to ₹62.50 per quarter. Interest is charged at 11% as of the year end. Prepayment charges: No prepayment charges as per sanction order. Penal charges: 2% above the normal rate of interest.	178.39	304.00
<b>Corporate term loan I</b>		
Repayable in 48 Monthly Instalment of ₹41.60 each commencing from April 2017 and ending in September 2021. Interest is charged at 11% as of the year end. Prepayment charges: No prepayment charges as per sanction order. Penal charges: 2% above the normal rate of interest.	226.10	508.17
<b>COVID term loan I</b>		

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Terms of repayment	As at March 31, 2021	As at March 31, 2020
Repayable in 18 Monthly Instalments of ₹45.55 each commencing from December 2020 and ending in May 2022. Interest charged at 7%. Prepayment charges: No prepayment charges as per sanction order. Penal charges: No penal charges as per sanction order.	637.78	-
<b>COVID term loan II</b>		
Repayable in 18 Monthly Instalments of ₹12.50 each commencing from January 2021 and ending in May 2022. Interest charged at 7.65%. Prepayment charges: No prepayment charges as per sanction order. Penal charges: No penal charges as per sanction order.	462.34	-
<b>COVID term loan III</b>		
Repayable in 12 Monthly Instalments of ₹20.83 each commencing from March 2021 and ending in March 2022. Interest charged at 9.25%. Prepayment charges: No prepayment charges as per sanction order. Penal charges: No penal charges as per sanction order.	229.20	-

### Details of Securities Provided to Long-Term Borrowings (Non-Current)

Term loan I - (a) First *pari passu* charge on the current assets of the Company along with other working capital lenders. (b) First charge over the entire movable fixed assets of the Company. (c) Exclusive first charge over the aircrafts owned by the Company. (c) Personal guarantees by Promoter Directors - Mr. T. S. Kalyanaraman, Mr. T. K. Seetharam, Mr. T. K. Ramesh and their relatives - Mrs. N. V. Ramadevi, Mrs. Maya Seetharam, Mrs. Deepa Ramesh & Mrs. T. K. Radhika.

**Corporate Term Loan I** - (a) First *pari passu* charge on the current assets of the Company along with other working capital lenders. (b) First charge over the entire movable fixed assets of the Company. (c) Exclusive first charge over the aircrafts owned by the Company. Personal guarantees by Promoter Directors - Mr. T. S. Kalyanaraman, Mr. T. K. Seetharam, Mr. T. K. Ramesh and their relatives - Mrs. N. V. Ramadevi, Mrs. Maya Seetharam, Mrs. Deepa Ramesh & Mrs. T. K. Radhika.

COVID term loans from three banks do not have a separate security and are part of the overall security offered for working capital limit of respective banks. Refer Sl. No. ii for details of security.

### (ii) Details of Securities Provided to Loans Repayable on Demand from Various Banks

(a) First *pari passu* charge on the entire current assets of the Company viz. inventory, receivables and other current assets on *pari passu* basis with the member banks in consortium. (b) Personal guarantees by Promoter Directors - Mr. T. S. Kalyanaraman, Mr. T. K. Seetharam, Mr. T. K. Ramesh and their relatives - Mrs. N. V. Ramadevi, Mrs. Maya Seetharam, Mrs. Deepa Ramesh & Mrs. T. K. Radhika). (c) Other charges : No Prepayment charges & Default charges as per sanction order.

## 16. Lease Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Opening balance	7,120.55	7,595.59
Add: Addition during the year on account of new leases	656.88	956.50
Less: Impact on lease modification	(396.62)	(613.39)
Less: Impact on lease termination	(55.68)	(216.84)
Less: Lease rent expense	(1,339.67)	(1,422.73)
Add: Finance cost on lease liability	732.98	821.42
Less: Current portion of lease liability	(674.35)	(635.92)
<b>Closing balance (refer note 36)</b>	<b>6,044.09</b>	<b>6,484.63</b>
<b>Current</b>		
Current portion of lease liability	674.35	635.92
<b>Closing balance</b>	<b>674.35</b>	<b>635.92</b>



## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 17. Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Provision for employee benefits - gratuity	276.30	238.58
<b>Total</b>	<b>276.30</b>	<b>238.58</b>
<b>Current</b>		
Provision for employee benefits - gratuity	94.45	67.89
Provision for proposed preference dividend (including dividend distribution tax)	-	0.02
<b>Total</b>	<b>94.45</b>	<b>67.91</b>

### 18. Metal Gold Loan

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
Payable to banks (i)	10,030.01	6,021.55
<b>Total</b>	<b>10,030.01</b>	<b>6,021.55</b>

(i) Includes amounts payable against gold purchased from various banks under gold on loan scheme with variable interest rates and is payable at monthly intervals. The credit period under the aforesaid arrangement is 90 days to 180 days from the date of delivery of gold.

### 19. Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Total outstanding dues of micro and small enterprises	-	-
(ii) Total outstanding dues of other than micro and small enterprises	5,580.51	2,992.19
<b>Total</b>	<b>5,580.51</b>	<b>2,992.19</b>

(i) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 ('Act') which is on the basis of such parties having been identified by the management and relied upon by the auditors. Hence, disclosures relating to amount unpaid as at year end together with interest paid/payable under this Act have not been given. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) The average credit period on purchases is normally 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that payables are paid within the pre-agreed credit terms.

### 20. Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt	1,572.27	437.10
Interest accrued on borrowings	55.74	105.93
Payable on purchase of property, plant and equipment	44.19	49.24
Payable to related parties (refer note 34)	58.28	-
Derivative financial instruments, carried at fair value (Refer note 35 (c))		
- Forward Contracts	477.39	-
Dues to promoter and investor (refer 13 (vi))	49.36	-
<b>Total</b>	<b>2,257.23</b>	<b>592.27</b>

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forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 21. Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	150.38	99.76
Security deposit received from employees	93.40	96.37
Advance from related parties (refer note 34)	-	34.78
Advance from customers	9,146.98	8,710.96
<b>Total</b>	<b>9,390.76</b>	<b>8,941.87</b>

(i) Advance from customers includes amounts received towards sale of jewellery products under various sale initiatives / retail customer programmes. The advance from customers also includes amounts totalling to Nil as at March 31, 2021 (March 31, 2020: ₹429.73) against which the customers have not claimed / purchased jewellery within the time specified in the terms and conditions of these programmes.

### 22. Current Tax Liabilities (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for income tax	2,156.59	1,397.52
Less: Advance tax	(1,499.16)	(934.69)
<b>Total</b>	<b>657.43</b>	<b>462.83</b>

### 23. Revenue from Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from sale of goods	72,969.08	77,729.84
Other operating revenue (i)	286.01	728.42
<b>Total</b>	<b>73,255.09</b>	<b>78,458.26</b>

#### (i) Other Operating Revenue

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Other operating revenue comprises</b>		
Discount received	2.02	0.32
Ear piercing income	2.61	3.45
Income from gift vouchers	76.22	-
Insurance service charges (net)	92.26	137.77
Interest income from margin money deposits	112.90	227.30
Gain on mark-to-market recognition of derivative contracts	-	359.58
<b>Total</b>	<b>286.01</b>	<b>728.42</b>

### 24. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Recurring</b>		
Interest Income earned on financial assets carried at amortised cost		
Loan to subsidiaries and fixed deposit with banks	184.07	296.43
Gain on disposal of property, plant and equipment (Net)	1.00	1.66
Net gain on foreign currency transactions and translation	-	358.34
<b>Non-Recurring</b>		
Gain on lease modification (including termination)	99.71	270.79
Liabilities no longer required written back	-	5.42
Income from rent concession	225.99	-
Miscellaneous income	17.91	50.32
<b>Total</b>	<b>528.68</b>	<b>982.96</b>



## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 25. Cost of Materials Consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	3,804.58	3,406.51
Add: Purchases	68,365.41	65,320.79
	<b>72,169.99</b>	<b>68,727.30</b>
Less: Closing stock	(6,096.35)	(3,804.58)
<b>Total</b>	<b>66,073.64</b>	<b>64,922.72</b>
<b>Changes in inventories of finished goods and work-in-progress</b>		
<b>Inventories at the end of the year</b>		
Work-in-progress	8,646.51	7,385.36
Finished goods	29,138.46	25,167.42
<b>Total</b>	<b>37,784.97</b>	<b>32,552.78</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	7,385.36	5,588.63
Finished goods	25,167.42	26,590.23
<b>Total</b>	<b>32,552.78</b>	<b>32,178.86</b>
<b>Net (increase) / decrease</b>	<b>(5,232.19)</b>	<b>(373.92)</b>

### 26. Employee Benefits Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	2,536.49	2,650.30
Contribution to provident and other funds (refer note 33(a))	163.20	167.35
Gratuity (refer note 33(b))	73.41	61.56
Staff welfare expenses	95.20	121.49
<b>Total</b>	<b>2,868.30</b>	<b>3,000.70</b>

### 27. Finance Costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on:		
Borrowings	2,333.02	2,203.95
Lease liabilities	732.98	821.42
Other borrowing costs	94.68	105.90
<b>Total</b>	<b>3,160.68</b>	<b>3,131.27</b>

### 28. Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	265.17	349.28
Rent including lease rentals (refer note 36)	288.30	353.17
Repairs and maintenance - Vehicles	10.25	12.18
Repairs and maintenance - Others	232.11	304.58
Telephone and leased line expenses	38.66	46.36
Bank charges	152.65	180.68
Packing materials and compliments	87.11	109.35
Sitting fees and commission to directors	6.00	4.00
Rates and taxes	46.31	60.90
(i) Expenditure on corporate social responsibility	38.31	26.04
Insurance charges	28.88	20.28
Sales promotion	188.61	297.57
Commission and rebates	74.45	70.33
Advertisement expense	986.45	1,987.74

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forming part of standalone financial statements for the year ended March 31, 2021

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Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(ii) Auditors remuneration and out-of-pocket expenses	9.26	9.42
Legal and other professional costs	55.19	55.65
(iii) Donations and contributions	46.09	54.76
Travelling and conveyance	119.00	250.18
Printing and stationery	13.20	16.07
Credit impaired trade receivables and other advances written off	28.39	56.66
Provision for credit impaired trade receivables	-	3.09
Property, plant and equipment written off	175.38	137.76
Loss on derivative financial instruments (net)	203.11	-
Net loss on foreign currency transactions and translation	126.49	-
Security expenses	25.30	23.71
Miscellaneous expenses	53.59	117.68
<b>Total</b>	<b>3,298.26</b>	<b>4,547.44</b>

### (i) Expenditure Towards Corporate Social Responsibility

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount required to be spent as per Section 135 of the Act	34.59	26.12
Amount spent during the year on		
Construction/acquisition of any asset	-	3.59
On purpose other than above		
in cash	38.31	22.45
yet to be paid in cash	-	0.08
<b>Total</b>	<b>38.31</b>	<b>26.12</b>

### (ii) Payment to Auditors

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
To statutory auditors (exclusive of GST)		
Audit	8.00	7.00
Taxation matters	0.50	0.95
Certifications and others	0.75	1.14
Reimbursement of expenses	0.01	0.33
<b>Total</b>	<b>9.26</b>	<b>9.42</b>

Note: In addition to the above expenses in Statement of Profit and Loss, payment to auditors also include ₹29 (March 31, 2020: ₹Nil) towards comfort letter and other IPO related services which is accounted in balance sheet to be offset with securities premium arising from IPO.

### (iii) Donations and Contributions Include Contributions to Political Parties Amounting to ₹17.15 (March 31, 2020: ₹43.60)

### 29. Tax Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>		
In respect of the current year	759.07	590.53
<b>Deferred tax</b>	(266.54)	199.22
<b>Total income tax expense recognised during the year</b>	<b>492.53</b>	<b>789.75</b>



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forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### The Reconciliation Between the Provision of Income Tax of the Company and Amounts Computed by Applying the Indian Statutory Income Tax Rate to Profit Before Taxes is as Follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit before tax</b>	1,874.85	2,353.26
Enacted income tax rate	25.17%	25.17%
Computed expected tax expense	471.90	592.32
<b>Effect of</b>		
Expenses that are not deductible in determining taxable profit	22.50	6.64
Others	(1.87)	(8.43)
<b>Income tax expense recognised in the Statement of Profit or Loss</b>	<b>492.53</b>	<b>590.53</b>
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences (see below)	-	199.22
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>492.53</b>	<b>789.75</b>

### Deferred Tax Liability/ (Asset)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening balance</b>	(76.32)	124.00
MAT credit entitlement/ (Utilised/ derecognised)	-	0.19
On Ind AS 116 impact on retained earnings	-	(426.25)
<b>Recognised in Statement of Profit or loss</b>		
Property, plant and equipment	(91.07)	(226.77)
Defined benefit obligation	(12.26)	4.65
Provision for expected credit loss	0.67	(0.22)
Fair valuation of derivative financial instruments	(140.59)	90.50
Ind AS adjustments	(23.29)	331.06
<b>Total</b>	<b>(266.54)</b>	<b>199.22</b>
<b>Recognised in Other Comprehensive Income</b>		
Defined benefit obligation	(3.92)	(6.67)
Hedging instruments designated as cash flow hedges	(69.04)	(19.85)
<b>Total</b>	<b>(72.96)</b>	<b>(26.52)</b>
<b>Closing balance</b>	<b>(415.82)</b>	<b>(76.32)</b>

## 30. Segment Information

The Chief Operating Decision Maker (CODM) of the Company examines the performance from the perspective of the Company as a whole viz. 'jewellery business' and hence there are no separate reportable segments as per Ind AS 108.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended March 31, 2021 and March 31, 2020 respectively, revenue from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from the external customers.

## 31. Earnings Per Share (EPS)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to ordinary shareholders	1,382.32	1,563.51
Weighted average number of equity shares used as denominator for calculating Basic EPS	84,88,40,615	83,92,41,600
Weighted average potential equity shares	10,99,15,199	11,90,47,619
<b>Weighted average number of equity shares used in the calculation of Diluted EPS</b>	<b>95,87,55,814</b>	<b>95,82,89,219</b>
Earnings per share of	10.00	10.00
Basic (₹)	1.63	1.86
Diluted (₹)	1.44	1.63

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

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## 32. Contingent Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Other monies for which the Company is contingently liable:</b>		
Disputed Sales Tax demands (out of which ₹16.56 (March 31, 2020: ₹44.70) have been deposited under protest)	1,963.27	242.59
Disputed Service Tax demands (out of which ₹1.76 (March 31, 2020 ₹0.75 have been deposited under protest)	22.00	10.02
The Company has provided Standby Letter of Credit (SBLC) to banks on behalf of its subsidiary - Kalyan Jewellers FZE	1,996.56	2,197.64
Counter guarantee given to a bank for guarantees issued by it on behalf of the Group companies (i)	9,855.13	13,085.07

- (i) Includes counter guarantees for availing metal gold loans amounting to ₹400 (March 31, 2020: ₹500)
- (ii) Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities. Management is hopeful of successful outcome in the appellate proceedings.

## 33. Employee Benefit Plans

### (a) Defined Contribution Plans

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll cost to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes and the Company has no obligations beyond its contributions. The contributions recognised in the statement of profit and loss during the year are as under

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provident fund	138.96	150.72
Employee state insurance scheme	24.24	16.63
<b>Total</b>	<b>163.20</b>	<b>167.35</b>

### (b) Defined Benefit Plans

The Company offers gratuity benefits, a defined employee benefit scheme to its employees. The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk. The Company has not funded its gratuity obligations. The following table sets out the status of the defined benefit schemes and the amount recognised in the standalone financial statements as per the actuarial valuation done by an independent actuary.

### The Principal Assumptions Used for the Purposes of the Actuarial Valuations were as Follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	5.64%	5.94%
Salary escalation	6.00%	6.00%
Attrition rate	22.00%	21.00%
Retirement age (in years)	58	58

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2006-08) Ult table.



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forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### Components of Defined Benefit Costs Recognised is as Follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>In Statement of Profit and Loss</b>		
Current service cost	49.94	44.77
Past service cost	6.00	-
Interest on net defined benefit liability/ (asset)	17.47	16.78
<b>Net cost recognised in Statement of profit and loss (refer note 26)</b>	<b>73.41</b>	<b>61.55</b>
<b>In Other Comprehensive Income</b>		
<b>Remeasurement on the net defined benefit liability</b>		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	15.57	10.18
Actuarial (gains) / losses arising from experience adjustments	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>15.57</b>	<b>10.18</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

### The Amount Included in the Balance Sheet Arising from the Entity's Obligation in Respect of its Defined Benefit Plans is as Follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	370.75	306.48
Fair value of plan assets	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>370.75</b>	<b>306.48</b>
Current	94.45	67.89
Non-current	276.30	238.58

### Movements in the Present Value of the Defined Benefit Obligation are as Follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening defined benefit obligation</b>	<b>306.48</b>	<b>253.18</b>
<b>Expenses recognised in the statement of profit and loss</b>		
Current service cost	49.94	44.77
Past service cost	6.00	-
Interest cost	17.47	16.78
<b>Remeasurement (gains)/losses recognised in other comprehensive income</b>		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	15.57	10.18
Actuarial gains and losses arising from experience adjustments	-	-
Acquisition / Divestiture	-	-
Benefits paid	(24.71)	(18.43)
<b>Closing defined benefit obligation</b>	<b>370.75</b>	<b>306.48</b>

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### Movements in the Fair Value of the Plan Assets are as Follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Opening fair value of the asset</b>		
Interest income on plan assets	-	-
Employer contributions	24.71	18.43
Benefits paid	(24.71)	(18.43)
<b>Closing fair value of assets</b>	<b>-</b>	<b>-</b>

### Sensitivity Analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and full salary escalation rate. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Discount rate</b>		
Defined benefit obligation on plus 50 basis points	357.82	300.34
Defined benefit obligation on minus 50 basis points	371.97	312.88
<b>Salary escalation</b>		
Defined benefit obligation on plus 50 basis points	372.72	313.56
Defined benefit obligation on minus 50 basis points	357.03	299.63

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### Maturity Profile of Defined Benefit Obligation

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Expected total benefit payments</b>		
Within 1 year	77.49	58.84
1 year to 2 years	67.41	55.44
2 years to 3 years	56.49	47.86
3 years to 4 years	47.18	40.62
4 years to 5 years	39.86	34.40
5 years to 10 years	115.13	103.78

## 34. Related Party Disclosures

### A. List of Related Parties where Control Exists and also Related Parties with whom Transactions have Taken Place and Relationships

Nature of relationship	Name of the related parties
Subsidiary	Kalyan Jewellers FZE, UAE Kalyan Jewellers LLC, UAE Kalyan Jewellers For Golden Jewelry Company, W.L.L. Kalyan Jewellers LLC, Qatar Kalyan Jewellers LLC, Oman Kenouz Al Sharq Gold Ind. LLC, UAE Kalyan Jewelers, Inc., USA Kalyan Jewellers Bahrain W.L.L Enovate Lifestyles Private Limited
Entity exercising significant influence over the Company [Entity - ESI]	Highdell Investment Ltd.



## Notes

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(Amounts in ₹ million, except for shares data or as otherwise stated)

Nature of relationship	Name of the related parties
Key Management Personnel [KMP]	T. S. Kalyanaraman (Chairman and Managing Director)
	T. K. Seetharam (Whole-time Director)
	T. K. Ramesh(Whole-time Director)
	V. Swaminathan (Chief Financial Officer)
	Jishnu R. G. (Company Secretary)
Relatives of KMP	Sanjay Raghuraman (Appointed as Chief Executive Officer w.e.f. July 1, 2020)
	N. V. Ramadevi (wife of T. S. Kalyanaraman)
	Maya Seetharam (wife of T. K. Seetharam)
	Deepa Ramesh (wife of T. K. Ramesh)
	T. K. Radhika (daughter of T. S. Kalyanaraman)
Non-Executive Directors [NED]	Ramaswamy M. (Independent Director)
	A. D. M. Chavali (Independent Director)
	Kishori Jayendra Udeshi (Independent Director)
	Trikkur Sitaraman Anantharaman (Independent Director)
	Anil Nair (Appointed as Independent director w.e.f. May 29, 2020)
	Salil S. Nair (Appointed as Non-Executive Director w.e.f. May 29, 2020)
Enterprises over which KMP are able to exercise significant influence [KMP - ESI]	Anish Kumar Saraf (Nominee director)
	M/s. Kalyan Textile M/s. Kalyan Developers

### B. Transactions with Related Parties

Nature of transactions	KMP	Entity - ESI	NED	KMP - ESI/ Subsidiaries
<b>Revenue from operations</b>				
T. S. Kalyanaraman	8.70	-	-	-
	1.41	-	-	-
T. K. Seetharam	1.35	-	-	-
	6.55	-	-	-
T. K. Ramesh	8.83	-	-	-
	6.24	-	-	-
Enovate Lifestyles Private Limited	-	-	-	204.49
	-	-	-	36.58
<b>Allotment of equity shares upon conversion of CCPS (including share premium)</b>				
Highdell Investment Ltd.	-	1,190.47	-	-
	-	-	-	-
<b>Allotment of equity shares pursuant to IPO (including share premium)</b>				
Salil S. Nair	-	-	0.85	-
	-	-	-	-
<b>Share of IPO expenses reimbursed to the Company</b>				
T. S. Kalyanaraman	77.57	-	-	-
	-	-	-	-
Highdell Investment Ltd.	-	155.14	-	-
	-	-	-	-
<b>Staff welfare expense</b>				
M/s. Kalyan Textile	-	-	-	7.45
	-	-	-	28.36
<b>Services received</b>				
Enovate Lifestyles Private Limited	-	-	-	1.54
	-	-	-	-

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(Amounts in ₹ million, except for shares data or as otherwise stated)

Nature of transactions	KMP	Entity - ESI	NED	KMP - ESI/ Subsidiaries
<b>Managerial remuneration</b>				
T. S. Kalyanaraman	112.93	-	-	-
	105.00	-	-	-
T. K. Seetharam	112.93	-	-	-
	105.00	-	-	-
T. K. Ramesh	112.93	-	-	-
	105.00	-	-	-
Sanjay Raghuraman	14.87	-	-	-
	8.97	-	-	-
V. Swaminathan	18.45	-	-	-
	15.23	-	-	-
Jishnu R. G.	2.12	-	-	-
	1.21	-	-	-
<b>Sitting fees paid</b>				
Ramaswamy M.	-	-	1.00	-
	-	-	0.50	-
A. D. M. Chavali	-	-	1.00	-
	-	-	0.50	-
Kishori Jayendra Udeshi	-	-	1.00	-
	-	-	0.50	-
Trikkur Sitaraman Anantharaman	-	-	1.00	-
	-	-	0.50	-
Anil Nair	-	-	1.00	-
	-	-	-	-
Salil S. Nair	-	-	1.00	-
	-	-	-	-
<b>Commission paid</b>				
Ramaswamy M.	-	-	-	-
	-	-	0.50	-
A. D. M. Chavali	-	-	-	-
	-	-	0.50	-
Kishori Jayendra Udeshi	-	-	-	-
	-	-	0.50	-
Trikkur Sitaraman Anantharaman	-	-	-	-
	-	-	0.50	-
<b>Reimbursement of expenses</b>				
Kalyan Jewellers LLC, UAE	-	-	-	24.36
	-	-	-	51.01
T. K. Seetharam	-	-	-	-
	0.19	-	-	-
T. K. Ramesh	-	-	-	-
	1.84	-	-	-
Sanjay Raghuraman	2.19	-	-	-
	0.87	-	-	-
V. Swaminathan	0.02	-	-	-
	0.12	-	-	-
<b>Loan written off</b>				
Kalyan Jewellers, Inc., USA.	-	-	-	-
	11.13	-	-	-
<b>Interest income on loan</b>				
Kalyan Jewellers FZE, UAE	-	-	-	152.93
	-	-	-	264.44
Enovate Lifestyles Private Limited	-	-	-	2.82
	-	-	-	1.35



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(Amounts in ₹ million, except for shares data or as otherwise stated)

Nature of transactions	KMP	Entity - ESI	NED	KMP - ESI/ Subsidiaries
<b>Loans and advances to subsidiaries given</b>				
Kalyan Jewellers FZE, UAE	-	-	-	734.59
	-	-	-	417.98
Enovate Lifestyles Private Limited	-	-	-	22.50
	-	-	-	7.50
<b>Loan repaid by subsidiary</b>				
Kalyan Jewellers FZE, UAE	-	-	-	1.25
	-	-	-	-
<b>Investments in Equity Share Capital</b>				
Kalyan Jewellers FZE, UAE (through conversion of loan given)	-	-	-	4,697.56
	-	-	-	-
Enovate Lifestyles Private Limited	-	-	-	120.24
	-	-	-	60.00
<b>Corporate guarantees provided/(released) on behalf of subsidiary</b>				
Kalyan Jewellers FZE, UAE (including stand by letter of credit)	-	-	-	(3,431.02)
	-	-	-	-

### C. Balance as on the Balance Sheet Date

Balance with related parties	KMP	Entity - ESI	NED	KMP - ESI/ Subsidiaries
<b>Investment</b>				
Kalyan Jewellers FZE, UAE	-	-	-	7212.99
	-	-	-	2,515.43
Kalyan Jewellers, Inc., USA.	-	-	-	0.00
	-	-	-	0.00
Enovate Lifestyles Private Limited	-	-	-	335.5
	-	-	-	215.26
<b>Receivables / Outstanding (net) from related parties (including interest)</b>				
Kalyan Jewellers FZE, UAE	-	-	-	733.24
	-	-	-	4,930.50
Enovate Lifestyles Private Limited	-	-	-	79.36
	-	-	-	32.01
<b>Payables (net) to related parties</b>				
Kalyan Jewellers LLC, UAE	-	-	-	58.28
	-	-	-	34.78
Highdell Investment Ltd.	32.91	-	-	-
	-	-	-	-
T. S. Kalyanaraman	31.14	-	-	-
	-	-	-	-
T. K. Seetharam	5.62	-	-	-
	-	-	-	-
T. K. Ramesh	5.62	-	-	-
	-	-	-	-
Sanjay Raghuraman	0.48	-	-	-
	-	-	-	-
V. Swaminathan	0.36	-	-	-
	-	-	-	-
Jishnu R. G.	0.11	-	-	-
	-	-	-	-
<b>Corporate Guarantees provided</b>				
Kalyan Jewellers FZE, UAE (including stand by letter of credit)	-	-	-	11,851.69
	-	-	-	15,282.71

Amount in italics represents year ended March 31, 2020.

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Notes:

- (i) Mr. T. S. Kalyanaraman, Mr. T. K. Seetharam and Mr. T. K. Ramesh and their relatives (indicated under 'Relatives of KMP') have provided joint personal guarantees on behalf of the Company to all its lenders for the various credit facilities extended by the lenders (including non-fund based facilities). The details of such personal guarantees received/ (released) during the year and the closing balance of such personal guarantees is given below:

Particulars	March 31, 2021	March 31, 2020
Personal guarantees received/(released) during the year	(1,835)	(905)
Closing balance of personal guarantees received	23,525	25,360

- (ii) The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	For the period ended March 31, 2021	For the period ended March 31, 2020
Short-term employee benefits (salaries, bonus and other allowances) (note iv)	374.23	342.35

- (iii) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

- (iv) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available.

- (v) Also refer Note 13 (vi) for details of transactions involving Mr. T. S. Kalyanaraman and Highdell Investment Ltd. in connection with IPO.

- (vi) During the year ended March 31, 2021, 1 equity share of face value of ₹10/- was transferred to CEO.

### 35. Financial Instruments

#### Categories of Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Note 2(xvii).

#### (a) Financial Assets and Liabilities

The accounting classification of each category of financial instruments and their carrying amounts, are set out below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Investments (unquoted)	7,548.49	7,548.49	2,730.69	2,730.69
Others financial assets - non-current	923.13	923.13	587.40	587.40
Trade receivables	39.91	39.91	20.72	20.72
Cash and bank balances	8,995.00	8,995.00	4,645.39	4,645.39
Others financial assets - current	496.11	496.11	610.12	610.12
<b>Total financial assets measured at amortised cost</b>	<b>18,002.64</b>	<b>18,002.64</b>	<b>8,594.32</b>	<b>8,594.32</b>
<b>Mandatorily measured at FVTPL</b>				
Derivative financial instruments not designated as hedging, carrying at fair value	-	-	359.58	359.58
<b>Total financial assets</b>	<b>18,002.64</b>	<b>18,002.64</b>	<b>8,953.90</b>	<b>8,953.90</b>



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Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings	13,864.74	13,864.74	19,062.29	19,062.29
Metal gold loan	10,030.01	10,030.01	6,021.55	6,021.55
Lease liabilities	6,718.44	6,718.44	7,120.55	7,120.55
Trade payables	5,580.51	5,580.51	2,992.19	2,992.19
Others financial liabilities	1,779.84	1,779.84	592.27	592.27
<b>Total financial assets measured at amortised cost</b>	<b>37,973.54</b>	<b>37,973.54</b>	<b>35,788.85</b>	<b>35,788.85</b>
<b>Mandatorily measured at FVTPL</b>				
Derivative financial instruments not designated as hedging, carrying at fair value	477.39	477.39	-	-
<b>Total financial liabilities</b>	<b>38,450.93</b>	<b>38,450.93</b>	<b>35,788.85</b>	<b>35,788.85</b>

The management assessed that fair values of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

### Following Methods and Assumptions were Used to Estimate Fair Values:

Fair values of the Company's interest-bearing borrowings are determined by using EIR method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at reporting date was assessed to be insignificant.

### (b) Fair Value Hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques. 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: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Quantitative Disclosures Fair Value Measurement Hierarchy

The derivative instruments in designated hedge accounting relationships is measured at fair value at level 1, with valuation technique being use of market available inputs such as gold prices and foreign exchange rates.

### (c) Financial Risk Management Objective

The Company's activities expose it to a variety of financial risks. The Company's primary focus is to foresee the unpredictability of such risks and seek to minimise potential adverse effects on its financial performance.

The Company has a robust risk management process and framework in place. This process is coordinated by the Board, which meets regularly to review risks as well as the progress against the planned actions. The Board seeks to identify, evaluate business risks and challenges across the Company through such framework. These risks include market risks, credit risk and liquidity risk.

### The Risk Management Process Aims to:

improve financial risk awareness and risk transparency

identify, control and monitor key risks

identify risk accumulations

provide management with reliable information on the Company's risk situation

improve financial returns

## Notes

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### 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 Standalone Financial Statements:

Risk	Exposure arising from	Risk management
Market risk - prices	Gold price fluctuations	Used as a hedging instrument for gold inventory or through metal gold loan facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Periodic review by management
Market risk - interest rate	Borrowings at variable rates	Mix of borrowings taken at fixed and floating rates
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets	Bank deposits, diversification of asset base, credit limits and collateral
Liquidity risk	Borrowings and other liabilities	Availability of committed credit lines and borrowing facilities

### Market Risk - Price Risk

The Company is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold. The Company's business objective includes safe-guarding its earnings against adverse price movements of gold as well as foreign exchange risks.

The Company has adopted a structured risk management process to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for fair value hedges/cash flow hedges, as designated at the inception of the hedge. The forward contracts which are not designated as

above are marked to market at each balance sheet date and corresponding gain/ loss is recognised in the Statement of Profit and Loss. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

The table below shows the position of hedging against probable forecast sales (commodity price risk) and currency forwards (currency risk) as of the balance sheet date.

As at	Quantity (Kgs)	Carrying amount - receivable/ (payable)		Maturity date
		Designated hedges as per Ind AS 109	Other than designated hedges	
March 31, 2021	1,310	(274.28)	(203.11)	Range - within 6 months
March 31, 2020	995	-	359.58	Range - within 6 months

### The table below shows the position of metal gold loans as on the balance sheet date.

Particulars	As at March 31, 2021	As at March 31, 2020
Quantity (Kgs)	2,283.00	1,385.00
Carrying amount	10,030.01	6,021.55

### Market Risk - Foreign exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions with subsidiaries, primarily with respect to Arab Emirates Dirhams (AED). Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. Exposures to foreign currency balances are periodically reviewed to ensure that the results from fluctuating currency exchange rates are appropriately managed.

### Foreign Currency Sensitivity Analysis

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below table an increase in profit where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be an equal and opposite impact on profit and equity. The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies.



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Particulars	As at March 31, 2021	As at March 31, 2020
Strengthening of INR by 10% against AED		
Impact on profits - Increase/(decrease)	67.51	466.61
Impact on equity (net of tax) - Increase/(decrease)	50.52	349.16
Weakening of INR by 10% against AED		
Impact on profits - Increase/(decrease)	(67.51)	(466.61)
Impact on equity (net of tax) - Increase/(decrease)	(50.52)	(349.16)

### Market risk - Interest Rate

#### (i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the balance sheet date, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the Company to interest rate risk:

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing	15,437.01	19,499.39
Fixed rate borrowing	-	-

#### Interest Rate Sensitivity Analysis:

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. The impact on the Company's profit if interest rates had been 50 basis points higher/lower and all other variables were held constant:

Particulars	As at March 31, 2021	As at March 31, 2020
Increase in borrowing rates by 50 basis points		
Impact on profits - Increase/(decrease)	(116.80)	(128.10)
Impact on equity (net of tax) - Increase/(decrease)	(87.40)	(95.86)
Decrease in borrowing rates by 50 basis points		
Impact on profits - Increase/(decrease)	116.80	128.10
Impact on equity (net of tax) - Increase/(decrease)	87.40	95.86

#### (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.

#### 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.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Credit risk on receivables is limited as the nature of the business is cash and carry except for related parties and other large number of individual customers in various geographical areas. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

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Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The credit risk for cash and cash equivalents, bank deposits, security deposits and loans is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

#### Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term expansion programmes. The Company remains committed to maintaining a healthy liquidity ratio, deleveraging and strengthening the balance sheet. The Company manages liquidity risk by maintaining adequate support of facilities from its holding company, and by

continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company's financial liability is represented significantly by long-term and short-term borrowings from banks and trade payables. The maturity profile of the Company's short-term and long-term borrowings and trade payables based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below.

#### The Figures Reflect the Contractual Undiscounted Cash Obligation of the Company.

Particulars	As at March 31, 2021				As at March 31, 2020			
	Less than 1 year	1-3 years	More than 3 years	Total	Less than 1 year	1-3 years	More than 3 years	Total
Borrowings	13,703.20	161.54	-	13,864.74	18,687.22	375.07	-	19,062.29
Metal gold loan	10,030.01	-	-	10,030.01	6,021.55	-	-	6,021.55
Lease liabilities	674.35	2,649.40	3,394.69	6,718.44	635.92	2,417.45	4,067.18	7,120.55
Trade payable	5,580.51	-	-	5,580.51	2,992.19	-	-	2,992.19
Other financial liabilities	2,257.23	-	-	2,257.23	592.27	-	-	592.27
<b>Total</b>	<b>32,245.30</b>	<b>2,810.94</b>	<b>3,394.69</b>	<b>38,450.93</b>	<b>28,929.15</b>	<b>2,792.52</b>	<b>4,067.18</b>	<b>35,788.85</b>

#### (d) Capital Management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company

The Company determines the amount of capital required on the basis of annual business plan

coupled with long-term and short-term strategic expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents and other bank balances (including non-current earmarked balances).



## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### The Table Below Summarises the Capital, Net Debt and Net Debt to Equity Ratio (Gearing ratio) of the Company.

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share capital	10,300.53	8,392.42
Compulsorily convertible preference share capital	-	1,190.48
Other equity	19,953.95	11,990.80
<b>Total equity [A]</b>	<b>30,254.48</b>	<b>21,573.70</b>
Non-current borrowings	161.54	375.07
Current borrowings	13,703.20	18,687.00
Current maturities of non-current borrowings	1,572.27	437.10
<b>Gross debts [B]</b>	<b>15,437.01</b>	<b>19,499.17</b>
<b>Total capital [A + B]</b>	<b>45,691.49</b>	<b>41,072.87</b>
Gross debts as above	15,437.01	19,499.17
Less: Cash and cash equivalents	(3,082.05)	(1,247.33)
Less: Bank balances other than cash and cash equivalents	(5,912.95)	(3,398.06)
<b>Net debts [C]</b>	<b>6,442.01</b>	<b>14,853.78</b>
<b>Net gearing ratio (times)</b>	<b>0.21</b>	<b>0.69</b>

### 36. Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company has treated the leases with remaining lease term of less than 12 months as if they were "short-term leases". Expense relating to such short-term leases recognised in Profit & Loss account amounts to ₹288.30 (March 31, 2020: ₹353.17).
- The Company has not applied the requirements of Ind AS 116 for leases of low value assets.
- The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to ₹5,901.94, lease liabilities amounting to ₹7,595.59 and ₹1,267.39 debited to retained earnings (net of taxes) as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 11.85% for measuring the lease liability.

### 37. Impact of COVID-19 (Global pandemic):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the standalone financial statements of the Company. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed an analysis on the assumptions used and based on current estimates expects the carrying amount of its assets will be recovered. The impact of COVID-19 on the Company's standalone financial statements may differ from that estimated as at the date of approval of these financial statements. As on date of approval of these standalone financial statements, most of the stores are closed due to the lock down imposed on account of second wave of COVID-19.

## Notes

forming part of standalone financial statements for the year ended March 31, 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

**38.** During the year ended March 31, 2021, the Company has renegotiated with certain landlords on the rent reduction/ waiver due to COVID-19 pandemic. The Management believes that such reduction/ waiver in rent is short-term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated July 24, 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from April 1, 2020. Thus, in accordance with the said notification, the Company has elected to apply exemption as the reduction/waiver does not necessitate a lease modification as envisaged in

the Standard by recording in the "Other income" (net of rent expenses). Accordingly, the Company has recognised ₹225.99 million during the year ended March 31, 2021 in the statement of profit and loss.

**39.** The figures of the previous year have been regrouped/reclassified, wherever necessary to conform with the current period classification.

**40.** Approval of financial statements: The standalone financial statements were approved for issue by the board of directors on May 27, 2021.

For and on behalf of Board of Directors

**T. S. Kalyanaraman**  
Managing Director  
DIN: 01021928

**T. K. Ramesh**  
Director  
DIN: 01021868

**T. K. Seetharam**  
Director  
DIN: 01021898

**Sanjay Raghuraman**  
Chief Executive Officer

**V. Swaminathan**  
Chief Financial Officer

**Jishnu R. G.**  
Company Secretary

Place: Thrissur  
Date: May 27, 2021



## Independent Auditor's Report

To The Members of **Kalyan Jewellers India Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Kalyan Jewellers India Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Existence of inventory:</b></p> <p>Refer Note 9 "Inventory" to the consolidated Financial Statements.</p> <p>The Company's inventories primarily comprise jewellery of gold, diamonds, gemstones etc. ("inventory")</p> <p>We have considered existence of inventory to be a key focus area for our audit due to:</p> <ol style="list-style-type: none"> <li>the high value and nature of inventory involved could lead to a significant risk of loss of inventory</li> <li>inventory being held at various locations across the country and third-party job workers.</li> </ol>	<p><b>Our principal audit procedures performed, among other procedures, included the following:</b></p> <ul style="list-style-type: none"> <li>obtained an understanding of the management's process for safeguarding and physical verification of inventories including the appropriateness of the Company's procedures for conducting, reconciling and recording physical verification of inventories.</li> <li>evaluated the design and implementation of relevant controls and carried out the testing of operating effectiveness of controls over conducting, reconciling and recording physical verification of inventories.</li> <li>tested the operating effectiveness of controls around the IT systems for recording of inward and outward movements of inventory.</li> </ul> <p>For a sample of locations, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>attended physical verification of stocks conducted by the Company at the year end.</li> <li>also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records.</li> <li>we also verified the caratage of the jewellery on a sample basis during our attendance at the physical verification.</li> </ul> <p>For stock held with the third-party job workers, we obtained independent confirmations of inventories held with them.</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiaries, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Parent 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 cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system 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 the 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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.

### Other Matters

- a) We did not audit the financial statements of 8 subsidiaries, whose financial statements reflect total assets of ₹ 17,895.41 million as at 31<sup>st</sup> March, 2021, total revenues of ₹ 12,764.12 million and net cash outflows amounting to ₹ 132.35 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 0.27 million as at 31<sup>st</sup> March, 2021, total revenues of ₹ 87.40 million and net cash outflows amounting to ₹ 72.81 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not

modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

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 the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent Company as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to

our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies for the reasons stated therein.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
- ii) the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**Balaji M N**

Partner  
(Membership No. 202094)

Place: Bengaluru  
Date: May 27, 2021

UDIN: 21202094AAAADK5034



## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section 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”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2021, we have audited the internal financial controls over financial reporting of Kalyan Jewellers India Limited (hereinafter referred to as “Parent”) and its subsidiary companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent Company, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (“the 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 its business, including adherence to the Parent’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 Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Parent’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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, 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 judgement, 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 Parent’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting 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”.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the one subsidiary company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**Balaji M N**  
Partner

(Membership No. 202094)

Place: Bengaluru UDIN: 21202094AAAADK5034  
Date: May 27, 2021



## Consolidated Balance Sheet

as at 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	9,617.06	10,791.85
Capital work-in-progress		526.80	242.25
Right-of-use assets	4	8,613.39	10,110.46
Investment property	5	611.36	622.29
Goodwill on consolidation	6	50.56	50.56
Intangible assets	3B	94.46	96.57
Intangible assets under development		3.80	2.22
Financial assets			
Other financial assets	7	988.88	588.37
Deferred tax assets (net)	29	460.58	80.99
Other non-current assets	8	581.63	617.31
<b>Total non-current assets</b>		<b>21,548.52</b>	<b>23,202.87</b>
<b>Current assets</b>			
Inventories	9	53,030.89	47,203.43
Financial assets			
Trade receivables	10	1,126.64	2,136.54
Cash and cash equivalents	11	3,648.56	1,608.68
Bank balances other than cash and cash equivalents	11	7,317.64	5,892.68
Other financial assets	7	343.11	812.18
Other current assets	8	1,635.92	1,330.42
<b>Total current assets</b>		<b>67,102.76</b>	<b>58,983.93</b>
<b>Total assets</b>		<b>88,651.28</b>	<b>82,186.80</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	10,300.53	8,392.42
Compulsorily convertible preference share capital	12	-	1,190.48
Other equity	13	17,959.77	12,028.20
Non-controlling interests	14	4.96	(30.31)
<b>Total equity</b>		<b>28,265.26</b>	<b>21,580.79</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	201.49	848.38
Lease liabilities	16	6,122.51	6,674.09
Provisions	17	342.08	306.75
<b>Total non-current liabilities</b>		<b>6,666.08</b>	<b>7,829.22</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	17,803.56	23,382.09
Metal gold loan	18	14,179.52	11,671.43
Lease liabilities	16	860.12	903.44
Trade payables	19	-	-
Total outstanding dues of micro and small enterprises		0.84	-
Total outstanding dues of creditors other than micro and small enterprises		6,900.22	5,575.61
Other financial liabilities	20	2,868.60	656.37
Provisions	17	103.10	78.21
Other current liabilities	21	10,345.61	10,118.97
Current tax liabilities (net)	22	658.37	390.67
<b>Total current liabilities</b>		<b>53,719.94</b>	<b>52,776.79</b>
<b>Total equity and liabilities</b>		<b>88,651.28</b>	<b>82,186.80</b>

Summary of significant accounting policies (refer note 2.1)  
See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's registration No. 117366W/W-100018)

**Balaji M N**  
Partner  
(Membership No. 202094)

**T.S. Kalyanaraman**  
Managing Director  
DIN: 01021928

**Sanjay Raghuraman**  
Chief Executive Officer

Place: Thrissur  
Date: 27 May 2021

For and on behalf of Board of Directors

**T.K. Ramesh**  
Director  
DIN: 01021868

**T.K. Seetharam**  
Director  
DIN: 01021898

**V. Swaminathan**  
Chief Financial Officer

**Jishnu R.G**  
Company Secretary

Place: Bengaluru  
Date: 27 May 2021



## Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	23	85,733.05	1,01,009.18
Other income	24	453.69	800.98
<b>I Total income</b>		<b>86,186.74</b>	<b>1,01,810.16</b>
Expense			
Cost of materials consumed	25	74,824.95	84,692.88
Changes in inventories of finished goods and work-in-progress	25	(3,683.84)	(775.21)
Employee benefits expense	26	3,315.31	3,572.26
Finance costs	27	3,754.16	3,803.15
Depreciation and amortisation expense	3C	2,249.02	2,391.66
Other expenses	28	5,333.57	5,916.55
<b>II Total expenses</b>		<b>85,793.17</b>	<b>99,601.29</b>
<b>III Profit/ (loss) before tax (I - II)</b>		<b>393.57</b>	<b>2,208.87</b>
<b>IV Tax expense</b>	29		
Current tax		762.15	591.30
Income tax credit for prior year		(0.77)	-
Deferred tax		(307.08)	194.82
<b>Total tax expense</b>		<b>454.30</b>	<b>786.12</b>
<b>V Profit/ (loss) for the year (III - IV)</b>		<b>(60.73)</b>	<b>1,422.75</b>
Attributable to owners of the Company		(63.04)	1,429.96
Attributable to non controlling interests		2.31	(7.21)
<b>VI Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of employee defined benefit plans		(15.57)	(10.18)
Income tax on above		3.92	(6.67)
<b>Items that will be reclassified to profit or loss</b>			
Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge		(670.29)	59.95
Income tax on above		69.04	(19.85)
<b>Total other comprehensive income for the year</b>		<b>(612.90)</b>	<b>23.25</b>
Attributable to owners of the Company		(612.90)	23.25
Attributable to non controlling interests		-	-
<b>Total comprehensive income for the year (V + VI)</b>		<b>(673.63)</b>	<b>1,446.00</b>
Attributable to owners of the Company		(675.94)	1,453.21
Attributable to non controlling interests		2.31	(7.21)
Earnings per equity share of face value of ₹ 10/-			
Basic	31	(0.07)	1.70
Diluted	31	(0.07)	1.49

Summary of significant accounting policies (refer note 2.1)  
See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's registration No. 117366W/W-100018)

**Balaji M N**  
Partner  
(Membership No. 202094)

**T.S. Kalyanaraman**  
Managing Director  
DIN: 01021928

**Sanjay Raghuraman**  
Chief Executive Officer

Place: Bengaluru  
Date: 27 May 2021

For and on behalf of Board of Directors

**T.K. Ramesh**  
Director  
DIN: 01021868

**V. Swaminathan**  
Chief Financial Officer

Place: Thrissur  
Date: 27 May 2021

**T.K. Seetharam**  
Director  
DIN: 01021898

**Jishnu R.G**  
Company Secretary

## Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### A Equity Shares with Voting Rights

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	INR	No. of shares	INR
Opening balance	83,92,41,600	8,392.42	83,92,41,600	8,392.42
Transactions during the year	19,08,11,457	1,908.11	-	-
<b>Closing balance</b>	<b>1,03,00,53,057</b>	<b>10,300.53</b>	<b>83,92,41,600</b>	<b>8,392.42</b>

### B 0.001% Compulsorily Convertible Preference Shares of ₹ 10 each

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	INR	No. of shares	INR
Opening balance	11,90,47,619	1,190.48	11,90,47,619	1,190.48
Transactions during the year	(11,90,47,619)	(1,190.48)	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>11,90,47,619</b>	<b>1,190.48</b>

### C Other Equity

Particulars	Reserves & Surplus			Other Comprehensive Income		Other equity	Total equity
	Securities premium	Statutory reserves	Retained earnings	Fair value change of hedging instruments in cash flow hedge	Employee defined benefit plan	Foreign operation translation reserve	
<b>Balance as at 31 March 2019</b>	<b>9,208.10</b>	<b>2.55</b>	<b>1,989.00</b>	<b>(40.09)</b>	<b>(62.36)</b>	<b>289.93</b>	<b>11,387.13</b>
Ind AS 116 impact on retained earnings (net of taxes)	-	-	(896.81)	-	-	-	(896.81)
Profit for the year (net of taxes)	-	2.74	1,429.96	-	-	-	1,432.70
Foreign currency exchange differences during the year	-	-	-	-	-	157.33	157.33
Adjustment on account of acquisition of non controlling interests	-	-	(72.65)	-	-	-	(72.65)
Transfer to statutory reserve	-	-	(2.74)	-	-	-	(2.74)
Other Comprehensive Income for the year (net of taxes)	-	-	-	40.09	(16.85)	-	23.24
Balance as at 31 March 2020	9,208.10	5.29	2,446.76	-	(79.21)	447.26	12,028.20
Profit for the year (net of taxes)	-	-	(63.04)	-	-	-	(63.04)
Add: Premium arising on shares issued during (refer note 12(v) and (vi))	6,797.73	-	-	-	-	-	6,797.73
Adjustment on account of acquisition of non controlling interests	-	-	(152.96)	-	-	-	(152.96)
Foreign currency exchange differences during the period	-	0.38	-	-	-	(37.64)	(37.26)
Other Comprehensive Income for the year (net of taxes)	-	-	-	(601.25)	(11.65)	-	(612.90)
Balance as at 31 March 2021	16,005.83	5.67	2,230.76	(601.25)	(90.86)	409.62	17,959.77

Summary of significant accounting policies (refer note 2.1)  
See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
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For and on behalf of Board of Directors

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Chief Executive Officer

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Chief Financial Officer

**Jishnu R.G**  
Company Secretary

Place: Bengaluru  
Date: 27 May 2021

Place: Thrissur  
Date: 27 May 2021



## Consolidated Statement of Cash flows

for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	393.57	2,208.87
<b>Adjustments for</b>		
Exchange difference in translating the financial statements of foreign operations	(37.26)	55.84
Depreciation of property, plant and equipment and amortisation of intangible assets	1,080.68	1,100.21
Amortisation on right-of-use assets	1,168.34	1,291.45
Loss on acquisition	-	(60.00)
Net loss/ (gain) on disposal of property, plant and equipment	(1.00)	(6.40)
Property, plant and equipment written off	334.06	137.76
Profit on sale of mutual funds	-	(2.71)
Credit impaired trade and other advances written off	32.06	51.40
Provision for expected credit loss on financial assets	15.76	-
Provision for impairment on right of use assets	342.55	-
Loss on termination of leases	400.58	-
Interest income	(154.86)	(296.58)
Unrealised loss/ (gain) on derivative financial instruments	407.74	(359.58)
Gain on lease modification	(99.71)	(270.79)
Liabilities no longer required written back	(1.00)	(5.42)
Provision for customer loyalty programs	1.83	0.54
Interest expense	3,616.25	3,630.69
<b>Operating profit before working capital changes</b>	<b>7,499.59</b>	<b>7,475.28</b>
<b>Adjustments for:</b>		
(Increase)/decrease in inventories	(5,470.07)	(2,196.46)
(Increase)/decrease in trade receivables	991.70	(669.60)
(Increase)/decrease in other current financial assets	109.49	(48.56)
(Increase)/decrease in other current assets	(335.12)	638.41
(Increase)/decrease in other non-current financial assets	(114.03)	(71.74)
(Increase)/decrease in other non-current assets	-	18.88
Increase/(decrease) in metal gold loan (net)	2,508.09	(3,292.86)
Increase/(decrease) in trade payables	1,324.62	1,386.98
Increase/(decrease) in non-current and current provisions	44.65	63.93
Increase/(decrease) in other current liabilities	299.56	(41.96)
<b>Cash generated from operations</b>	<b>6,858.48</b>	<b>3,262.30</b>
Net income tax paid	(569.39)	(64.99)
<b>Net cash flow from operating activities [A]</b>	<b>6,289.09</b>	<b>3,197.31</b>
<b>B Cash flow from investing activities</b>		
Payments for property, plant and equipment, intangibles (including capital work-in-progress and capital advances)	(481.61)	(1,191.53)
Proceeds from sale of property, plant and equipment and intangibles	2.99	116.51
Bank balances not considered as cash and cash equivalents	(1,700.73)	1,088.32
Acquisition of non controlling interests	(120.00)	-
Proceeds/ (payment) from/ (for) sale/ (purchase) of other investments	-	28.26
Interest received	126.54	301.69
<b>Net cash flow from / (used in) investing activities [B]</b>	<b>(2,172.81)</b>	<b>343.25</b>

## Consolidated Statement of Cash flows

for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>C Cash flow from financing activities</b>		
Proceeds from borrowings	-	4,870.53
Repayment of borrowings	(5,131.53)	(3,054.60)
Proceeds from issue of equity shares (net of share issue expenses)	7,564.72	-
Payment towards lease liabilities	(1,645.70)	(2,542.92)
Finance costs on borrowings	(2,863.89)	(2,705.93)
<b>Net cash from / (used in) financing activities [C]</b>	<b>(2,076.40)</b>	<b>(3,432.92)</b>
<b>Net increase / (decrease) in Cash and cash equivalents [A+B+C]</b>	<b>2,039.88</b>	<b>107.64</b>
Cash and cash equivalents at the beginning of the year	1,608.68	1,501.04
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>3,648.56</b>	<b>1,608.68</b>

Summary of significant accounting policies (refer note 2)

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's registration No. 117366W/W-100018)

For and on behalf of Board of Directors

**Balaji M N**  
Partner  
(Membership No. 202094)

**T.S. Kalyanaraman**  
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Chief Executive Officer

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Chief Financial Officer

**Jishnu R.G**  
Company Secretary

Place: Bengaluru  
Date: 27 May 2021

Place: Thrissur  
Date: 27 May 2021

## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

### 1. General Information

Kalyan Jewellers India Limited ('the Company' or 'the Holding Company'), together with its subsidiaries Kalyan Jewellers, Inc., USA, Enovate Lifestyles Private Limited, Kalyan Jewellers FZE, UAE and its step down subsidiaries - Kalyan Jewellers LLC, UAE, Kalyan Jewellers for Golden Jewelry Company, W.L.L., Kalyan Jewellers LLC., Qatar, Kalyan Jewellers LLC, Oman, Kalyan Jewellers Bahrain W.L.L., Kenouz Al Sharq Gold Ind. LLC (collectively referred to as 'the Group') is a leading international retail Jewellery Chain, into the manufacture and retailing of primarily gold and precious stone studded jewellery.

The Company is headquartered in the city of Thrissur in Kerala, India, and has offices in USA, UAE, Kuwait, Qatar and Oman.

### 2.1 Significant Accounting Policies

#### (i) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013.

The Group has consistently applied accounting policies to all years. Comparative Financial information has been regrouped, wherever necessary, to correspond to the figures of the current year.

#### (ii) Basis of Preparation and Presentation

The consolidated financial statements have been prepared on accrual basis under the historical

The subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Name of the Company	Relationship	Country of Incorporation	Ownership held by	Ownership interest	
				31 March 2021	31 March 2020
Enovate Lifestyles Private Limited	Subsidiary	India	Kalyan Jewellers India Limited	93%	77%
Kalyan Jewellers FZE, UAE	Subsidiary	United Arab Emirates (UAE)	Kalyan Jewellers India Limited	100%	100%
Kalyan Jewelers, Inc., USA	Subsidiary	USA	Kalyan Jewellers India Limited	100%	100%
Kalyan Jewellers LLC, UAE	Step down subsidiary	United Arab Emirates	Kalyan Jewellers FZE, UAE	100%	100%
Kalyan Jewellers for Golden Jewelry Company, W.L.L.	Step down subsidiary	Kuwait	Kalyan Jewellers LLC, UAE	100%	100%
Kalyan Jewellers LLC, Qatar	Step down subsidiary	Qatar	Kalyan Jewellers LLC, UAE	100%	100%

cost convention except for the certain financial instruments that are measured at fair values as required by relevant Ind AS:

- certain financial assets and liabilities (including derivative instruments)
- defined employee benefit plans - plan assets are measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

#### (iii) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including un-realised gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.



## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

Name of the Company	Relationship	Country of Incorporation	Ownership held by	Ownership interest	
				31 March 2021	31 March 2020
Kalyan Jewellers LLC, Oman	Step down subsidiary	Oman	Kalyan Jewellers FZE, UAE	100%	100%
Kenouz Al Sharq Gold Ind. LLC, UAE	Step down subsidiary	United Arab Emirates (UAE)	Kalyan Jewellers LLC, UAE	100%	100%
Kalyan Jewellers Bahrain W.L.L.	Step down subsidiary	Bahrain	Kalyan Jewellers FZE, UAE	100%	100%

The consolidated financial statements prepared by Kalyan Jewellers FZE, UAE includes 100% of the assets, liabilities and results of operations of its following subsidiaries, reflecting its controlling and beneficial equity interest in the subsidiaries through agreement with legal owners:

Name of the Company	Place of registration and operation	Ownership %	Control and beneficial interest %	Principal Activity
Kalyan Jewellers LLC,UAE	Dubai, UAE	49	100	Trading in jewellery, watches and perfumes
Kalyan Jewellers for Golden Jewelry Company, W.L.L.	Kuwait	49	100	Trading in jewellery, watches and perfumes
Kalyan Jewellers LLC,Qatar	Doha, Qatar	49	100	Trading in jewellery, watches and perfumes
Kalyan Jewellers LLC,Oman	Oman	70	100	Trading in jewellery, watches and perfumes
Kenouz Al Sharq Gold Ind. LLC,UAE	Sharjah, UAE	49	100	Manufacturing of jewellery
Kalyan Jewellers Bahrain W.L.L.	Bahrain	49	100	Trading in jewellery, watches and perfumes

The financial statements of the subsidiary companies which are included in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31 March, 2021. The financial statements of the subsidiaries included in consolidation are audited except Kalyan Jewellers Inc.,USA.

### (iv) Use of Estimates and Judgement

The preparation of consolidated financial statements in conformity with Ind AS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment:

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

Fair value of financial assets, liabilities, and investments:

The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time, they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

### (v) Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Holding Company.

## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

### (vi) Revenue Recognition

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

- a) Sale of goods: Revenue from the sale of products is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

- b) Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset of that asset's net carrying amount on initial recognition.

### (vii) Leases

The Group's lease asset classes consist of leases for buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site

on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

### (viii) Foreign Currencies

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge.

### (ix) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the



## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

cost of those assets, until such time the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (x) Employee Benefits

The Group participates in various employee benefit plans. Post-employment benefits either are classified as defined contribution plans or defined benefit plans. Under a defined contribution plan, the Group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Group's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Group. The present value of the defined benefit obligations is calculated using the projected unit credit method.

#### Short-Term Employee Benefits

All short-term employee benefits such as salaries, wages, bonus, and other benefits, which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

#### Defined Contribution Plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined Benefit Plan

In accordance with the Payment of Gratuity Act, 1972, the Group provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last

drawn salary and years of employment with the Group. The gratuity fund is unfunded. The Group's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

### (xi) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

- a) Current tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
- b) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.
- c) Deferred tax: Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements

## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### (xii) Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of

the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of aeroplanes/Helicopters (30 years with an estimated residual value of 5%), in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

The estimated useful life of the tangible assets and the useful life are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

### (xiii) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.



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### (xiv) Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Estimated useful lives of the intangible assets is 5 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

### (xv) Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

### (xvi) Inventories

Inventories [other than quantities of gold for which the price is yet to be determined with the suppliers (Unfixed gold)] are stated at the lower of cost and net recognised value. In respect of gold, cost is determined on first-in-first-out basis, for silver cost is determined on annual weighted average basis and in respect of studded jewellery is determined on specific identification basis.

Unfixed gold is valued at the gold prices prevailing on the period closing date.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Group), freight inwards and other expenditure directly attributable to acquisition. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### (xvii) Provisions and Contingencies

Provisions: A provision is recognised when the Group has a present obligation because of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount in the present value of those cash flows (when the effect of time value of money is material).

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

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### (xviii) Business Combination and Goodwill

Business combinations are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred.

The excess of the cost of acquisition over the Group's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in capital reserve.

### (xix) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

**a) Non-derivative Financial Assets:** All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Financial Assets at Amortised Cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

### Effective Interest Method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**b) Derecognition of Financial Assets:** A financial asset is derecognised only when the

- Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Whether the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.



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Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. When the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

- c) Foreign Exchange Gains and Losses:** The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss.

- d) Financial Liabilities:** All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### Financial Liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

### Financial Liabilities Subsequently Measured at Amortised Cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured

at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Foreign Exchange Gains and Losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

### De-recognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability

### (xx) Hedge Accounting

The Group designates certain hedging instruments as fair value hedges/cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. The use of derivative financial instruments is governed

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by the Group's policies approved by the Board of Directors, which provide written principles on the use of such instruments consistent with the Group's risk management strategy. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

### Fair Value Hedges

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

### Cash Flow Hedges

Derivative financial instruments to manage risks associated with gold and foreign currency price fluctuations relating to certain existing liabilities, highly probable forecasted transactions, foreign currency fluctuations relating to certain firm commitments fall under the category of cash flow hedges. The Group has designated derivative financial instruments taken for gold and foreign currency price fluctuations as cash flow hedges relating to certain existing liabilities and highly probable forecast transactions.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the heading hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of profit and loss.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of profit and loss. The Group has designated derivative financial instruments taken for gold price fluctuations as cash flow hedges relating to highly probable forecasted transactions under the previous GAAP.

### (xxi) Segment Reporting

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). The Group is reported at an overall level, and hence there are no separate reportable segments as per Ind AS 108.

### (xxii) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system.

### (xxiii) Earnings Per Share (EPS)

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the profit or loss attributable to ordinary equity holders by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate



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### (xxiv) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### (xxv) Recent IND AS and Other Statutory/ Legal Announcements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company and its Indian subsidiaries will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### 2.2 Additional information as required by Paragraph 2 of the General Instructions for Preparation of consolidated Ind AS financial statements to Schedule III to the Companies Act, 2013:

#### • As on and for the Period Ended 31 March, 2021:

Name of the entity	Net Assets i.e, total assets minus total liabilities		Share in total comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated total comprehensive income	₹ in million
<b>Parent Company:</b>				
Kalyan Jewellers India Limited	77.55 %	22,380.96	1,565.85 %	1,218.07
<b>Indian Subsidiary:</b>				
Enovate Lifestyles Private Limited	0.24 %	69.29	42.11 %	32.76
<b>Foreign Subsidiary</b>				
Kalyan Jewellers FZE, UAE	22.21%	6,410.58	(1,689.20 %)	(1,314.03)
Kalyan Jewelers, Inc., USA	0.00 %	0.27	(18.76 %)	(14.59)
<b>Total</b>	<b>100 %</b>	<b>28,861.10</b>	<b>(100 %)</b>	<b>(77.79)</b>

#### • As on and for the Year Ended March 31, 2020:

Name of the entity	Net Assets i.e, total assets minus total liabilities		Share in total comprehensive income	
	As % of consolidated net assets	₹ in million	As % of consolidated total comprehensive income	₹ in million
<b>Parent Company:</b>				
Kalyan Jewellers India Limited	64.72 %	13,965.84	89.95%	1,299.23
<b>Indian Subsidiary:</b>				
Enovate Lifestyles Private Limited	0.32 %	69.61	1.49%	21.53
<b>Foreign Subsidiaries:</b>				
Kalyan Jewellers FZE, UAE	34.95 %	7542.50	1.48 %	7.00
Kalyan Jewelers, Inc., USA	0.01 %	2.84	(8.55 %)	(40.49)
<b>Total</b>	<b>100 %</b>	<b>21,580.79</b>	<b>100 %</b>	<b>1,446.00</b>

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### 3A Property, Plant and Equipment

Description of Assets	Freehold Land	Helipad	Buildings	Plant & machinery	Office equipment	Computers	Furniture and fixtures	Aeroplanes / helicopters	Vehicles	Total
<b>I. At cost or deemed cost</b>										
<b>Balance as at 31 March 2019</b>	<b>1,828.12</b>	<b>30.80</b>	<b>979.50</b>	<b>309.66</b>	<b>854.96</b>	<b>222.59</b>	<b>7,232.32</b>	<b>2,700.53</b>	<b>403.57</b>	<b>14,562.05</b>
Additions	14.81	-	17.57	224.28	55.24	25.20	600.88	-	16.47	954.45
Disposals	-	-	-	(8.28)	(2.06)	-	(194.47)	-	(15.12)	(219.93)
Effect of foreign currency exchange differences	-	-	-	20.56	-	9.15	133.19	-	2.11	165.01
<b>Balance as at 31 March 2020</b>	<b>1,842.93</b>	<b>30.80</b>	<b>997.07</b>	<b>546.22</b>	<b>908.14</b>	<b>256.94</b>	<b>7,771.92</b>	<b>2,700.53</b>	<b>407.03</b>	<b>15,461.58</b>
Additions	7.15	-	3.85	3.09	30.30	13.11	193.42	-	16.43	267.35
Transfer from investment property	10.93	-	-	-	-	-	-	-	-	10.93
Disposals (refer note 28(iv))	-	-	-	(0.51)	(20.84)	(2.07)	(629.79)	-	(8.86)	(662.07)
Effect of foreign currency exchange differences	-	-	-	(5.75)	-	(3.13)	(37.88)	-	(0.38)	(47.14)
<b>Balance as at 31 March 2021</b>	<b>1,861.01</b>	<b>30.80</b>	<b>1,000.92</b>	<b>543.05</b>	<b>917.60</b>	<b>264.85</b>	<b>7,297.67</b>	<b>2,700.53</b>	<b>414.22</b>	<b>15,030.65</b>
<b>II. Accumulated depreciation</b>										
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>4.76</b>	<b>100.39</b>	<b>117.26</b>	<b>583.05</b>	<b>161.17</b>	<b>2,133.96</b>	<b>362.01</b>	<b>202.13</b>	<b>3,664.73</b>
Charge for the year	-	1.02	33.14	23.95	111.50	37.21	708.30	89.60	54.71	1,059.43
Disposals	-	-	-	(4.93)	(1.51)	-	(98.14)	-	(13.37)	(117.95)
Effect of foreign currency exchange differences	-	-	-	10.17	-	6.75	44.78	-	1.82	63.52
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>5.78</b>	<b>133.53</b>	<b>146.45</b>	<b>693.04</b>	<b>205.13</b>	<b>2,788.90</b>	<b>451.61</b>	<b>245.29</b>	<b>4,669.73</b>
Charge for the year	-	1.05	33.83	27.73	89.17	32.41	714.96	89.61	53.55	1,042.31
Disposals (refer note 28(iv))	-	-	-	(0.08)	(18.15)	(1.77)	(254.05)	-	(6.86)	(280.91)
Effect of foreign currency exchange differences	-	-	-	(0.53)	-	(2.40)	(14.34)	-	(0.27)	(17.54)
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>6.83</b>	<b>167.36</b>	<b>173.57</b>	<b>764.06</b>	<b>233.37</b>	<b>3,235.47</b>	<b>541.22</b>	<b>291.71</b>	<b>5,413.59</b>
<b>Carrying value (I-II)</b>										
<b>Balance as at 31 March 2021</b>	<b>1,861.01</b>	<b>23.97</b>	<b>833.56</b>	<b>369.48</b>	<b>153.54</b>	<b>31.48</b>	<b>4,062.20</b>	<b>2,159.31</b>	<b>122.51</b>	<b>9,617.06</b>
<b>Balance as at 31 March 2020</b>	<b>1,842.93</b>	<b>25.02</b>	<b>863.54</b>	<b>399.77</b>	<b>215.10</b>	<b>51.81</b>	<b>4,983.02</b>	<b>2,248.92</b>	<b>161.74</b>	<b>10,791.85</b>



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### 3B Intangible Assets

Description of Assets	Software	Intangible assets (Lease rights)	Total
<b>I. At cost or deemed cost</b>			
<b>Balance as at 31 March 2019</b>	<b>207.95</b>	<b>3,068.31</b>	<b>3,276.26</b>
Impact of transition to INDAS 116	-	(3,068.31)	(3,068.31)
Additions	45.32	-	45.32
Disposals	(19.10)	-	(19.10)
Effect of foreign currency exchange differences	-	-	-
<b>Balance as at 31 March 2020</b>	<b>234.17</b>	<b>-</b>	<b>234.17</b>
Additions	36.26	-	36.26
Disposals	-	-	-
Effect of foreign currency exchange differences	-	-	-
<b>Balance as at 31 March 2021</b>	<b>270.43</b>	<b>-</b>	<b>270.43</b>
<b>II. Accumulated amortisation</b>			
<b>Balance as at 31 March 2019</b>	<b>107.79</b>	<b>348.76</b>	<b>456.55</b>
Impact of INDAS 116	-	(348.76)	(348.76)
Charge for the year	40.78	-	40.78
Disposals	(10.97)	-	(10.97)
Effect of foreign currency exchange differences	-	-	-
<b>Balance as at 31 March 2020</b>	<b>137.60</b>	<b>-</b>	<b>137.60</b>
Charge for the year	38.37	-	38.37
Disposals	-	-	-
Effect of foreign currency exchange differences	-	-	-
<b>Balance as at 31 March 2021</b>	<b>175.97</b>	<b>-</b>	<b>175.97</b>
<b>Carrying value (I-II)</b>			
<b>Balance as at 31 March 2021</b>	<b>94.46</b>	<b>-</b>	<b>94.46</b>
<b>Balance as at 31 March 2020</b>	<b>96.57</b>	<b>-</b>	<b>96.57</b>

### 3C Depreciation and Amortisation Expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment	1,042.31	1,059.43
Amortisation of intangible assets	38.37	40.78
Amortisation of right-of-use assets	1,168.34	1,291.45
<b>Total</b>	<b>2,249.02</b>	<b>2,391.66</b>

### 4 Right-of-use Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Right-of-use assets (ROU) at the beginning of the year as per IND AS 116	10,110.46	9,384.32
Transfer from deferred rent	-	465.09
Add: Addition during the year on account of new leases	907.59	1,938.16
Less: Impact on lease modification	(663.71)	(411.06)
Less: Impact on lease termination (refer note 28(v))	(501.01)	(231.60)
Less: Amortised during the year	(1,168.34)	(1,291.45)
Add: Effects of foreign currency exchange differences	(71.60)	257.00
<b>Closing balance (refer note 36)</b>	<b>8,613.39</b>	<b>10,110.46</b>

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### 5 Investment Property

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Cost or deemed cost</b>		
<b>Opening balance</b>	622.29	622.29
Additions/(Disposals)	-	-
Transfer to property, plant and equipment	(10.93)	-
<b>Closing balance (i)</b>	<b>611.36</b>	<b>622.29</b>

(i) The Group's investment properties consist only of free hold land and therefore no depreciation is chargeable.

The Group's investment properties consist of seven properties in the nature of free hold land in India. As at 31 March 2021 and 31 March 2020, the fair value of the properties is ₹ 1,840 and ₹ 1,778 respectively. These are based on valuations performed by independent valuers for the purposes of bank financing at the time availing/renewing such financing facility. The fair value hierarchy is at level 2, which is derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data. (Refer note 35.b for note on fair value hierarchy).

### 6 Goodwill on Consolidation

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Cost</b>		
<b>Opening balance</b>	50.56	50.56
Additions/(Disposals)	-	-
<b>Closing balance</b>	<b>50.56</b>	<b>50.56</b>

### 7 Other Financial Assets

(Unsecured and considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<b>Measured at amortised cost</b>		
Security deposits	652.75	528.01
Earmarked deposits with remaining maturity period greater than 12 months	336.13	60.36
<b>Total</b>	<b>988.88</b>	<b>588.37</b>
<b>Current</b>		
<b>Measured at amortised cost unless otherwise specified</b>		
Interest accrued on loans and deposits		
- Deposits	8.39	58.99
Security deposits	334.72	393.61
Derivative financial instruments, carrying at fair value (Refer note 35(C))		
- Forward Contracts	-	359.58
<b>Total</b>	<b>343.11</b>	<b>812.18</b>



## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 8 Other Assets

(Unsecured and considered good)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Capital advance	34.64	73.11
Deferred rental reserve		
- Opening balance	-	465.09
- Transferred to ROU	-	(465.09)
Balances with revenue authorities		
- Amount paid under protest	52.32	49.53
- Dues from Kerala VAT Department	494.67	494.67
<b>Total</b>	<b>581.63</b>	<b>617.31</b>
<b>Current</b>		
Balances with revenue authorities	208.74	195.78
Prepaid expenses	96.53	121.49
Advance to suppliers	1,199.15	936.43
Other assets	131.50	76.72
<b>Total</b>	<b>1,635.92</b>	<b>1,330.42</b>

### 9 Inventories

(lower of cost and net realisable value)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	6,796.99	4,418.81
Work-in-progress	8,675.54	7,385.36
Finished goods	37,558.36	35,399.26
<b>Total</b>	<b>53,030.89</b>	<b>47,203.43</b>

Note (i) - The cost of inventories recognised as expense during the year ended is ₹ 71,141.11 million (31 March 2020: 83,917.67)

Note (ii) - The mode of valuation has been stated in Note 2(xvi)

### 10 Trade Receivables

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Unsecured</b>		
Considered good	1,126.64	2,136.54
Considered doubtful	21.77	8.82
Less: Provision for credit impaired trade receivables	(21.77)	(8.82)
<b>Total</b>	<b>1,126.64</b>	<b>2,136.54</b>

The Company generally operates on a cash and carry model, and hence the expected credit loss allowance for trade receivables is insignificant. The concentration of credit risk is also limited due to the fact that the customer base is large and unrelated.

## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 11 Cash and Cash Equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Cash and cash equivalents</b>		
Cash in hand	242.20	126.34
Balances with banks		
Current accounts	1,264.52	1,423.11
Funds in transit	131.84	54.23
Fixed deposits	2,010.00	5.00
<b>Total cash and cash equivalents as per Ind AS 7</b>	<b>3,648.56</b>	<b>1,608.68</b>
<b>Bank Balances other than cash and cash equivalents above</b>		
Fixed deposits held as margin money against borrowings and guarantees (maturity of less than 12 months from the balance sheet date)	6,137.81	3,261.88
Balances with banks held as margin money/ Escrow account	1,179.83	2,630.80
<b>Total</b>	<b>7,317.64</b>	<b>5,892.68</b>

The deposits maintained by the Company with banks comprise time deposits, (excluding the fixed deposits held as margin money) which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

### 12 Equity

Particulars	As at 31 March 2021		As a 31 March 2020	
	No. of shares	INR	No. of shares	INR
<b>Authorised</b>				
Equity shares of ₹ 10 each with voting rights	1,80,05,00,000	18,005.00	1,20,05,00,000	12,005.00
0.001% Compulsorily convertible preference shares of ₹ 10 each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each with voting rights	1,03,00,53,057	10,300.53	83,92,41,600	8,392.42
0.001% Compulsorily convertible preference shares of ₹ 10 each	-	-	11,90,47,619	1,190.48
<b>Total</b>	<b>1,03,00,53,057</b>	<b>10,300.53</b>	<b>95,82,89,219</b>	<b>9,582.90</b>

(i) Pursuant to a confirmation order dated 07 August 2019 under Section 233 of the Companies Act, the Regional Director, Ministry of Corporate Affairs, Chennai had confirmed the scheme of amalgamation between Kalyan Jewellers Mini Stores Private Limited and Kalyan Jewellers India Limited and consequent to that the authorised capital of the Company is increased to ₹ 14,005 divided into 1,200,500,000 equity shares of ₹ 10 each and 200,000,000 Compulsorily convertible preference shares of ₹ 10 each. During the year the authorised share capital was further increased to ₹ 20,005 divided into 1,80,05,00,000 equity shares of ₹ 10 each and 20,00,00,000 compulsorily convertible preference shares of ₹ 10 each pursuant in connection with Initial Public Offering.

#### (ii) Rights, Preferences and Restrictions Attached to Shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each share holder is entitled for one vote. As per the terms of the Share holder's Agreement, the Company shall declare an annual dividend payable to the share holders in proportion to the respective equity shares held by them on a fully diluted basis. However during the current year the share holders have waived their rights to receive dividend. Repayment of share capital on liquidation will be in proportion to the number of equity shares held.



## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### (iii) Reconciliation of the Shares Outstanding at the Beginning and at the end of the year

Particulars	As at 31 March 2021		As a 31 March 2020	
	No. of shares	INR	No. of shares	INR
<b>Equity shares with voting rights</b>				
Opening balance	83,92,41,600	8,392.42	83,92,41,600	8,392.42
Add: Transactions during the year	19,08,11,457	1,908.11	-	-
<b>Closing balance</b>	<b>1,03,00,53,057</b>	<b>10,300.53</b>	<b>83,92,41,600</b>	<b>8,392.42</b>
<b>0.001% Compulsorily convertible preference shares of ₹ 10 each</b>				
Opening balance	11,90,47,619	1,190.48	11,90,47,619	1,190.48
Add: Transactions during the year	(11,90,47,619)	(1,190.48)	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>11,90,47,619</b>	<b>1,190.48</b>

### (iv) Shareholders Holding More than 5% Shares in the Company

Particulars	As at 31 March 2021		As a 31 March 2020	
	No. of shares held	%	No. of shares held	%
<b>Equity shares with voting rights</b>				
T.S. Kalyanaraman	21,56,44,676	20.94%	21,80,88,480	25.99%
T.K. Seetharam	18,60,19,542	18.06%	13,83,23,492	16.48%
T.K. Ramesh	18,60,19,542	18.06%	13,83,23,492	16.48%
Highdell Investment Ltd.	27,15,39,787	26.36%	20,14,17,984	24.00%
<b>(v) 0.001% Compulsorily convertible preference shares of ₹ 10 each</b>				
Highdell Investment Ltd.	-	0%	11,90,47,619	100%

(v) Pursuant to the Subscription and Share Purchase Agreement dated 31 March 2017, entered into between the Company, its Promoters, Investor and Other Sellers as defined in the agreement, the Company has issued 0.001% 119,047,619 Compulsorily Convertible Preference Shares (CCPS) of ₹ 10/- each at a premium of ₹ 32/- each to Highdell Investment Ltd. ("Investor"), the proceeds of which shall be used for purposes of funding the growth and expansion of the Company, meeting the working/capital expenditure and for the general corporate purposes. The preference shares are Compulsorily Convertible into equity shares based on various conversion and exit options at an agreed internal rate of return as per the terms of agreement. CCPS have been fully converted into 98,857,435 equity shares of ₹ 10 each on 04 March 2021 at an aggregate premium of ₹ 201.90 million and the corresponding credit has been accounted under securities premium reserve.

(vi) The Company completed the Initial Public Offer ('IPO') its equity shares during the year in March and listed its shares on Bombay Stock Exchange and National Stock Exchange on 26 March 2021. Pursuant to IPO, the Company allotted 91,724,137 fresh equity shares of ₹ 10 each to public and 229,885 fresh equity shares of ₹ 10 each to employees of the Company at a premium of ₹ 77 per equity share and ₹ 69 per equity share respectively on 24 March 2021. The total share premium arising on IPO amounting to ₹ 7078.62 million has been accounted under securities premium reserve and the IPO related expenses amounting to ₹ 482.80 million, being company's share of total estimated IPO expense has been adjusted against the premium amount as above. Upon actualisation of final IPO expense, the difference, if any, between the estimate and the actual expense will be adjusted against the securities premium account in the period in which such actualisation takes place.

As part of the IPO, there was also offloading of shares through Offer For Sale ('OFS') by Mr. T.S. Kalyanaraman ('promoter') and Highdell Investment Ltd. ('investor') totalling to ₹ 1,250 million and ₹ 2,500 million respectively. The IPO expense attributable to OFS has been estimated at ₹ 240.21 million against which an amount of ₹ 289.57 million was retained from the OFS consideration and balance of ₹ 49.36 million being refundable to promoter and investor has been disclosed under Note 20 - Other Financial Liabilities as 'Dues to promoter and investor'.

## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 13 Other Equity

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Securities premium reserve	16,005.83	9,208.10
(ii) Statutory reserve	5.67	5.29
(iii) Retained earnings	2,230.76	2,446.76
(iv) Foreign currency translation reserve	409.62	447.26
(v) Other comprehensive income	(692.11)	(79.21)
Partners capital account	-	-
<b>Total</b>	<b>17,959.77</b>	<b>12,028.20</b>

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(i) Securities premium reserve</b>		
Balance at beginning of the year	9,208.10	9,208.10
Add: Premium arising on shares issued during the year (Refer note 12 (v) and (vi))	7,280.53	-
Less: Expenses relating to IPO netted off against the above (Refer note 12 (vi))	(482.80)	-
<b>Balance at the end of the year</b>	<b>16,005.83</b>	<b>9,208.10</b>
<b>(ii) Statutory reserve</b>		
Balance at beginning of the year	5.29	2.55
Transactions during the year	-	2.74
Effect of foreign currency rate variations during the year	0.38	-
<b>Balance at the end of the year</b>	<b>5.67</b>	<b>5.29</b>
<b>(iii) Retained earnings</b>		
Balance at beginning of the year	2,446.76	1,989.00
Ind AS 116 impact on retained earning	-	(896.81)
Loss on acquisition of non controlling interest	(152.96)	(72.65)
Profit attributable to owners of the Company	(63.04)	1,429.96
Transfer to statutory reserve	-	(2.74)
<b>Balance at the end of the year</b>	<b>2,230.76</b>	<b>2,446.76</b>
<b>(iv) Foreign currency translation reserve</b>		
Balance at beginning of the year	447.26	289.93
Movement for the year	(37.64)	157.33
<b>Balance at the end of the year</b>	<b>409.62</b>	<b>447.26</b>
<b>(v) Other comprehensive income</b>		
Balance at beginning of the year	(79.21)	(102.45)
Remeasurement of defined benefit obligations (net of tax)	(11.65)	(16.85)
Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge (net of tax)	(601.25)	40.09
<b>Balance at the end of the year</b>	<b>(692.11)</b>	<b>(79.21)</b>

### (vi) Nature and Purpose of Other Reserve

Securities premium: Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserve: Statutory reserve is a reserve required to be maintained as per the legal requirements of the country of one of the subsidiaries.

Retained earnings / Surplus: Retained earnings are the profits / loss that the Company has earned / incurred till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.

Foreign currency translation reserve: Represents the cumulative difference on translation of foreign operations.



## Notes

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Items of other comprehensive income consists of effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge and remeasurement of net defined benefit liability/asset.

### 14 Non-controlling Interests

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at beginning of the year	(30.31)	(35.75)
Share of profit/ (loss) for the year	2.31	(7.21)
Non-controlling interests pertaining Enovate Lifestyles Private Limited	32.96	12.65
<b>Closing balance</b>	<b>4.96</b>	<b>(30.31)</b>

### 15 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
(i) Terms loans from banks	1,796.58	1,349.58
Less: Current maturities of long-term debt	(1,595.09)	(501.20)
<b>Total</b>	<b>201.49</b>	<b>848.38</b>
<b>Current</b>		
(ii) Loans repayable on demand from banks - secured	17,803.56	23,382.09
<b>Total</b>	<b>17,803.56</b>	<b>23,382.09</b>

#### (i) Details of Terms of Repayment of Long-Term Borrowings (non-current) and Interest Thereon are as Follows:

Terms of repayment	As at 31 March 2021	As at 31 March 2020
<b>Term loan I</b>		
Repayable in 46 monthly instalments commencing from June 2017 and ending in September 2021 amounting to ₹ 62.50 per quarter. Interest is charged at 11% as of the year end. Prepayment charges: No prepayment charges as per sanction order. Penal charges: 2% above the normal rate of interest.	178.39	304.00
<b>Corporate term loan I</b>		
Repayable in 48 Monthly Instalment of ₹ 41.60 each commencing from April 2017 and ending in September 2021. Interest is charged at 11% as of the year end. Prepayment charges: No prepayment charges as per sanction order. Penal charges: 2% above the normal rate of interest.	226.10	508.17
<b>COVID term loan I</b>		
Repayable in 18 Monthly Instalments of ₹ 45.55 each commencing from December 2020 and ending in May 2022. Interest charged at 7%. Prepayment charges: No prepayment charges as per sanction order. Penal charges: No penal charges as per sanction order.	637.78	-
<b>COVID term loan II</b>		
Repayable in 12 Monthly Instalments of ₹ 20.83 each commencing from March 2021 and ending in March 2022. Interest charged at 9.25%. Prepayment charges: No prepayment charges as per sanction order. Penal charges: No penal charges as per sanction order.	462.34	-
<b>COVID term loan III</b>		
Repayable in 12 Monthly Instalments of ₹ 20.83 each commencing from April 2021 and ending in March 2022. Interest charged at 7.65%. Prepayment charges: No prepayment charges as per sanction order. Penal charges: No penal charges as per sanction order.	229.20	-
<b>Term loan II</b>		
Repayable in 16 equal instalments commencing from April 30, 2017 and carries an interest at QMRL + 1.25% p.a.	-	35.33
<b>Term loan III</b>		
Repayable in 20 equal instalments commencing from December 15, 2018 and carries an interest at QMRL + 6% p.a.	62.77	87.41

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Terms of repayment	As at 31 March 2021	As at 31 March 2020
<b>Term loan IV</b>		
Repayable in every quarter commencing from February 14, 2019 and carries an interest at QMRL + 5.11% p.a.	-	142.14
<b>Term loan V</b>		
Repayable in 30 monthly instalments and carries an interest at 5% per annum over one month EIBOR, subject to variation.	-	272.53

**Term Loan I -** (a) First pari passu charge on the current assets of the company along with other working capital lenders. (b) First charge over the entire movable fixed assets of the Company. (c) Exclusive first charge over the aircrafts owned by the Company. (c) Personal guarantees by Promoter Directors - Mr. T.S. Kalyanaraman, Mr. T.K. Seetharam, Mr. T.K. Ramesh and their relatives - Mrs. N.V.Ramadevi, Mrs. Maya Seetharam, Mrs. Deepa Ramesh & Mrs. T.K.Radhika.

**Corporate Term Loan I -** (a) First pari passu charge on the current assets of the company along with other working capital lenders. (b) First charge over the entire movable fixed assets of the Company. (c) Exclusive first charge over the aircrafts owned by the Company. Personal guarantees by Promoter Directors - Mr. T.S. Kalyanaraman, Mr. T.K. Seetharam, Mr. T.K. Ramesh and their relatives - Mrs. N.V.Ramadevi, Mrs. Maya Seetharam, Mrs. Deepa Ramesh & Mrs. T.K.Radhika.

COVID term loans from State three banks do not have a separate security and are part of the overall security offered for working capital limit of respective banks. Refer SI No. ii for details of security.

**Term Loan II -** (a) Irrevocable personal guarantees of Mr. T.S. Kalyanaraman, Mr. T.K. Seetharam, Mr. T.K. Ramesh and Mr. Nasser Darwish Abdulla. (b) Corporate guarantee by Kalyan Jewellers India Limited

**Term Loan III -** (a) Commercial mortgage over all the assets of the subsidiary. (b) Corporate guarantee by Kalyan Jewellers India Limited and Kalyan Jewellers LLC Dubai

**Term Loan IV -** (a) Standby letter of credit in favour of of the Bank in India by the Company (b) pledge of fixed deposits of the Company.

Term loan V - (a) Standby letter of credit issued by the company in favour of the Bank. (b) Irrevocable personal guarantees of Mr. T.S. Kalyanaraman, Mr. T.K. Seetharam, Mr. T.K. Ramesh (c) Corporate guarantee by Kalyan Jewellers India Limited

#### (ii) Details of Securities Provided to Loans Repayable on Demand from Various Banks

(a) First pari passu charge on the entire current assets of the Company and respective subsidiaries viz. inventory, receivables and other current assets on pari passu basis with the member banks in consortium. (b) Personal guarantees by Promoter Directors - Mr.T.S. Kalyanaraman, Mr.T.K. Seetharam, Mr.T.K. Ramesh and their relatives -Mrs.N.V.Ramadevi, Mrs. Maya Seetharam, Mrs. Deepa Ramesh & Mrs. T.K.Radhika). (c) Corporate guarantee issued by Kalyan Jewellers India Limited in favour of Bank of Baroda, Sohar Bank, Commercial, National Bank of Fujairah and Commercial Bank of Dubai. (d) Other charges : No Prepayment charges & Default charges as per sanction order.



## Notes

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(Amounts in ₹ million, except for shares data or as otherwise stated)

### 16 Lease Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Opening balance	7,577.53	7,985.56
Add: Addition during the year on account of new leases	878.60	1,391.97
Less: Impact on lease modification	(396.62)	(613.39)
Less: Impact on lease termination	(124.78)	(231.33)
Less: Lease rent expense	(1,703.26)	(1,815.14)
Add: Finance cost on lease liability	754.17	850.89
Less: Current portion of lease liability	(860.12)	(903.44)
Effects of foreign currency exchange differences	(3.01)	8.97
<b>Closing balance (refer note 36)</b>	<b>6,122.51</b>	<b>6,674.09</b>
<b>Current</b>		
Current portion of lease liability	860.12	903.44
<b>Closing balance</b>	<b>860.12</b>	<b>903.44</b>

### 17 Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Provision for employee benefits - gratuity	342.08	306.75
<b>Total</b>	<b>342.08</b>	<b>306.75</b>
<b>Current</b>		
Provision for employee benefits - gratuity	94.63	67.89
Provision for proposed preference dividend (including dividend distribution tax)	-	0.02
Provision for customer loyalty programmes	8.47	10.30
<b>Total</b>	<b>103.10</b>	<b>78.21</b>

### 18 Metal Gold Loan

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Secured</b>		
Payable to banks (i)	14,179.52	11,671.43
<b>Total</b>	<b>14,179.52</b>	<b>11,671.43</b>

(i) Represents amounts payable against gold purchased from various banks under gold on loan scheme with variable interest rates and is payable at monthly intervals. The credit period under the aforesaid arrangement is 90 days to 180 days from the date of delivery of gold.

### 19 Trade Payables

Particulars	As at 31 March 2021	As at 31 March 2020
(i) Total outstanding dues of micro and small enterprises	0.84	-
(ii) Total outstanding dues of other than micro and small enterprises	6,900.22	5,575.61
<b>Total</b>	<b>6,901.06</b>	<b>5,575.61</b>

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### (i) Disclosures Required Under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act)

Particulars	As at 31 March 2021	As at 31 March 2020
(i) The principal amount remaining unpaid to any supplier as at the end of each accounting year.	0.84	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) 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.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest due and payable even in the succeeding year, 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.	-	-

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

(ii) The average credit period on purchases is normally 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that payables are paid within the pre-agreed credit terms.

### 20 Other Financial Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Current maturities of long-term debt	1,595.09	501.20
Interest accrued on borrowings	104.12	105.93
Payable on purchase of property, plant and equipment	44.19	49.24
Derivative financial instruments, carrying at fair value (Refer note 35(C))		
- Forward Contracts	1,075.84	-
Dues to promoter and investor (refer 12(vi))	49.36	-
<b>Total</b>	<b>2,868.60</b>	<b>656.37</b>

### 21 Other Current Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	182.46	111.36
Security deposit received from employees	93.40	96.29
Provision for income tax	-	72.92
Deferred income	-	-
Advance from customers	10,069.75	9,838.40
<b>Total</b>	<b>10,345.61</b>	<b>10,118.97</b>

(i) Advance from customers includes amounts received towards sale of jewellery products under various sale initiatives / retail customer programmes. The advance from customers also includes amounts totalling to Nil as at 31 March 2021 (31 March 2020: ₹ 429.73) against which the customers have not claimed / purchased jewellery within the time specified in the terms and conditions of these programmes.



## Notes

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(Amounts in ₹ million, except for shares data or as otherwise stated)

### 22 Current Tax Liabilities (Net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for income tax	2,157.53	590.53
Less: Advance tax	(1,499.16)	(199.86)
<b>Total</b>	<b>658.37</b>	<b>390.67</b>

### 23 Revenue From Operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from sale of goods	85,433.35	1,00,280.75
Other operating revenue (i)	299.70	728.43
<b>Total</b>	<b>85,733.05</b>	<b>1,01,009.18</b>

#### (i) Other Operating Revenue

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Other operating revenue comprises</b>		
Discount received	2.20	0.33
Ear piercing income	2.81	3.45
Income from gift vouchers	76.22	
Insurance service charges (net)	92.26	137.77
Interest income from margin money deposits	126.21	227.30
Gain on mark-to-market recognition	-	359.58
<b>Total</b>	<b>299.70</b>	<b>728.43</b>

### 24 Other Income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Recurring</b>		
Interest Income earned on financial assets carried at amortised cost		
Fixed deposit with banks	28.65	69.28
Gain on disposal of property, plant and equipment (Net)	1.00	12.60
Profit on sale of mutual funds	-	2.71
Net gain on foreign currency transactions and translation	-	359.97
<b>Non-Recurring</b>		
Gain on lease modification	99.71	270.79
Liabilities no longer required written back	1.00	5.42
Income from rent concession	225.99	-
Miscellaneous income	97.34	80.21
<b>Total</b>	<b>453.69</b>	<b>800.98</b>

### 25 Cost of Materials Consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening stock	4,418.81	2,910.12
Add: Purchases	77,219.25	76,028.97
	<b>81,638.06</b>	<b>78,939.09</b>
Less: Closing stock	(6,796.99)	(4,418.81)
Effect of foreign currency exchange differences	(16.12)	(2.32)
<b>Total</b>	<b>74,824.95</b>	<b>84,692.88</b>

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forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Inventories at the end of the year</b>		
Work-in-progress	8,675.54	7,385.36
Finished goods	37,558.36	35,399.26
<b>Total</b>	<b>46,233.90</b>	<b>42,784.62</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	7,385.36	5,245.04
Finished goods	35,399.26	42,890.28
<b>Total</b>	<b>42,784.62</b>	<b>48,135.32</b>
Effect of foreign currency exchange differences	(234.56)	(100.78)
<b>Net (increase) / decrease</b>	<b>(3,683.84)</b>	<b>(775.21)</b>

### 26 Employee Benefits Expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	2,951.74	3,176.34
Contribution to provident and other funds (refer note 34(a))	164.17	168.19
Gratuity (refer note 34(b))	83.07	85.77
Staff welfare expenses	116.33	141.96
<b>Total</b>	<b>3,315.31</b>	<b>3,572.26</b>

### 27 Finance Costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on:		
Borrowings	2,862.08	2,779.80
Lease liabilities	754.17	850.89
Intercompany borrowings	-	-
Other borrowing costs	137.91	172.46
<b>Total</b>	<b>3,754.16</b>	<b>3,803.15</b>

### 28 Other Expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	298.06	386.48
Freight and forwarding	15.99	10.91
Rent including lease rentals (refer note 36)	388.12	497.01
Repairs and maintenance - Vehicles	10.61	12.82
Repairs and maintenance - Others	275.04	357.60
Telephone and leased line expenses	66.50	76.58
Bank charges	300.62	391.44
Packing materials and compliments	108.19	166.20
Sitting fees and commission to directors	6.00	13.30
Rates and taxes	83.51	115.71
Expenditure on corporate social responsibility (refer note (i) below)	38.31	26.04
Insurance charges	37.12	28.28
Sales promotion	349.06	638.44
Commission and rebates	96.88	92.77
Advertisement expense	1,110.49	2,183.47
Auditors remuneration and out-of-pocket expenses (refer note (ii) below)	37.00	31.02
Legal and other professional costs	104.25	78.15
Donations and contributions (refer note (iii) below)	46.12	55.18
Travelling and conveyance	167.15	297.82



## Notes

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(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Printing and stationery	32.66	42.67
Credit impaired trade and other advances written off	32.06	51.40
Provision for expected credit loss on financial assets	15.76	3.09
Property, plant and equipment written off (refer note (iv) below)	334.06	143.96
Loss on termination of leases (refer note (iv) below)	400.58	-
Provision for impairment on right of use assets (refer note (v) below)	342.55	-
Loss on derivative financial instruments (net)	407.74	-
Net loss on foreign currency transactions and translation	104.44	32.11
Security expenses	26.61	27.81
Miscellaneous expenses	98.09	156.29
<b>Total</b>	<b>5,333.57</b>	<b>5,916.55</b>

### (i) Expenditure Towards Corporate Social Responsibility

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount required to be spent as per Section 135 of the Act	34.59	26.12
Amount spent during the year on		
Construction/acquisition of any asset	-	3.59
On purpose other than above		
in cash	38.31	22.45
yet to be paid in cash	-	0.08
<b>Total</b>	<b>38.31</b>	<b>26.12</b>

### (ii) Payment to Auditors

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
To statutory auditors (exclusive of GST)		
Audit	34.19	26.90
Taxation matters	1.74	2.65
Certifications	0.81	1.14
Reimbursement of expenses	0.26	0.33
<b>Total</b>	<b>37.00</b>	<b>31.02</b>

Note: In addition to the above expenses in Statement of Profit and Loss, payment to auditors also include ₹ 29 Million (31 March 2020: ₹ Nil) towards comfort letter and other IPO related services which is accounted in balance sheet to be offset with securities premium arising from IPO.

(iii) Donations and contributions include contributions to political parties amounting to ₹ 17.15 million (31 March 2020: ₹ 43.60 million)

(iv) Property, plant and equipment written off amounting to ₹ 158.38 million and Loss on termination of leases relates to closure of showrooms in Middle East.

(v) Represents provision for impairment of right of use assets in Middle East.

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(Amounts in ₹ million, except for shares data or as otherwise stated)

### 29 Tax Expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax</b>		
In respect of the current year	762.15	591.30
In respect of prior years	(0.77)	-
<b>Deferred tax</b>	(307.08)	194.82
<b>Total income tax expense recognised during the year</b>	<b>454.30</b>	<b>786.12</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Profit/ (loss) before tax</b>	393.57	2,208.87
Enacted income tax rate	25.17%	34.94%
Computed expected tax expense	99.06	130.08
<b>Effect of</b>		
Effect of loss of subsidiaries in the consolidated profits	379.19	112.68
Expenses that are not deductible in determining taxable profit	22.50	46.30
Adjustments recognised in the current year in relation to prior years	(0.77)	-
Others	(45.68)	2.76
<b>Income tax expense recognised in the Statement of Profit or Loss</b>	<b>454.30</b>	<b>291.82</b>
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences (see below)	-	194.82
Relating to MAT credit utilised	-	(87.39)
<b>Tax expense reported in the Statement of Profit and Loss</b>	<b>454.30</b>	<b>399.25</b>

### Deferred Tax Liability/ (Asset)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening balance</b>	(80.99)	124.00
MAT credit entitlement / (Utilised/ derecognised)	-	0.19
On Ind AS 116 impact on retained earnings	-	(426.26)
Effect of foreign currency exchange differences	0.45	(0.27)
<b>Recognised in Statement of Profit or loss</b>		
Property, plant and equipment	(95.02)	(196.15)
Brought forward tax losses	(35.41)	-
Defined benefit obligation	(13.44)	4.65
Provision for doubtful trade receivables	0.67	(0.22)
Fair valuation of derivative financial instruments	(140.59)	90.50
Ind AS adjustments	(23.29)	296.05
<b>Total</b>	<b>(307.08)</b>	<b>194.83</b>
<b>Recognised in Other Comprehensive Income</b>		
Defined benefit obligation	(3.92)	6.67
Hedging instruments designated as cash flow hedges	(69.04)	19.85
<b>Total</b>	<b>(72.96)</b>	<b>26.52</b>
<b>Closing balance</b>	<b>(460.58)</b>	<b>(80.99)</b>



## Notes

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(Amounts in ₹ million, except for shares data or as otherwise stated)

### 30 Segment Information

The Chief Operating Decision Maker (CODM) of the Group examines the performance from the perspective of the Group as a whole viz. 'jewellery business' and hence there are no separate reportable segments as per Ind AS 108.

During the year ended 31 March 2021 and 31 March 2020 respectively, revenue from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from the external customers.

Particulars	Revenue from External customers		Non-current assets	
	For the year ended 31 March 2021	For the year ended 31 March 2020	As at 31 March 2021	As at 31 March 2020
India	73,871.12	78,979.11	16,849.56	17,276.31
Middle East	11,861.93	22,030.07	4,698.96	5,926.56
<b>Total</b>	<b>85,733.05</b>	<b>1,01,009.18</b>	<b>21,548.52</b>	<b>23,202.87</b>

### 31 Earnings Per Share (EPS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to ordinary shareholders	(63.04)	1,429.96
Weighted average number of equity shares used as denominator for calculating Basic EPS	84,88,40,615	83,92,41,600
Weighted average potential equity shares	10,99,15,199	11,90,47,619
<b>Weighted average number of equity shares used in the calculation of Diluted EPS</b>	<b>95,87,55,814</b>	<b>95,82,89,219</b>
Earnings per share of	10.00	10.00
Basic (₹)	(0.07)	1.70
Diluted (₹)	(0.07)	1.49

### 32 Contingent Liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Other monies for which the Company is contingently liable:</b>		
Disputed Sales Tax demands (out of which ₹ 16.56 (March 20: ₹ 44.70) have been deposited under protest)	1,963.27	242.59
Disputed Service Tax demands (out of which ₹ 1.76 (March 20: ₹ 16.89) have been deposited under protest)	22.00	10.02
Counter guarantee given to a bank for availing metal gold loans	400.00	500.00

- (i) Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities. Management is hopeful of successful outcome in the appellate proceedings.

### 33 Employee Benefit Plans

#### (a) Defined Contribution Plans

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll cost to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes and the company has no obligations beyond its contributions. The contributions recognised in the statement of profit and loss during the year are as under:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provident fund	139.93	151.55
Employee state insurance scheme	24.24	16.63
<b>Total</b>	<b>164.17</b>	<b>168.19</b>

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#### (b) Defined Benefit Plans

The Company and its subsidiary company in India offers gratuity benefits, a defined employee benefit scheme to its employees. The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk. The Company has not funded its gratuity obligations. The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements as per the actuarial valuation done by an independent actuary.

#### The Principal Assumptions Used for the Purposes of the Actuarial Valuations were as Follows

The Company:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	5.64%	5.94%
Salary escalation	6.00%	6.00%
Attrition rate	22.00%	21.00%
Retirement age (in years)	58	58

Subsidiary company in India:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.84%	6.84%
Salary escalation	9.00%	9.00%
Attrition rate	5.00%	5.00%
Retirement age (in years)	58	58

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2006-08) Ult table.

#### Components of Defined Benefit Costs Recognised is as Follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>In Statement of Profit and Loss</b>		
Current service cost	50.83	46.05
Past service cost	6.00	-
Interest on net defined benefit liability/ (asset)	17.71	16.78
<b>Net cost recognised in Statement of profit and loss</b>	<b>74.54</b>	<b>62.83</b>
Add: Cost pertaining to foreign subsidiary accounted on undiscounted basis	8.53	22.94
<b>Total cost recognised in Statement of profit and loss (refer note 26)</b>	<b>83.07</b>	<b>85.77</b>
<b>In Other Comprehensive Income</b>		
<b>Remeasurement on the net defined benefit liability</b>		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	15.57	10.18
Actuarial (gains) / losses arising from experience adjustments	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>15.57</b>	<b>10.18</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.



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forming part of consolidated financial statements for the year ended 31 March 2021

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### The Amount Included in the Balance Sheet Arising from the Entity's Obligation in Respect of its Defined Benefit Plans is as Follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation	375.29	309.99
Fair value of plan assets	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>375.29</b>	<b>309.99</b>
Add: Liability pertaining to foreign subsidiary accounted on undiscounted basis	61.42	64.65
Total gratuity liability as per Note 18	436.71	374.64

### Movements in the Present Value of the Defined Benefit Obligation are as Follows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening defined benefit obligation</b>	309.99	253.18
Gratuity liability pertaining to subsidiary acquired during the period	-	2.23
<b>Expenses recognised in the statement of profit and loss</b>		
Current service cost	50.83	46.05
Past service cost	6.00	-
Interest cost	17.71	16.78
<b>Remeasurement (gains)/losses recognised in other comprehensive income</b>		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	15.57	10.18
Actuarial gains and losses arising from experience adjustments	-	-
Acquisition / Divestiture	-	-
Benefits paid	(24.81)	(18.43)
<b>Closing defined benefit obligation</b>	<b>375.29</b>	<b>309.99</b>

### Movements in the Fair Value of the Plan Assets are as Follows

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Opening fair value of the asset</b>		
Interest income on plan assets	-	-
Employer contributions	24.81	18.43
Benefits paid	(24.81)	(18.43)
<b>Closing fair value of assets</b>	<b>-</b>	<b>-</b>

### Sensitivity Analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and full salary escalation rate. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Discount rate</b>		
Defined benefit obligation on plus 50 basis points	362.10	303.64
Defined benefit obligation on minus 50 basis points	376.83	316.65
<b>Salary escalation</b>		
Defined benefit obligation on plus 50 basis points	377.53	317.29
Defined benefit obligation on minus 50 basis points	361.35	302.96

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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(Amounts in ₹ million, except for shares data or as otherwise stated)

### Maturity Profile of Defined Benefit Obligation

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Expected total benefit payments</b>		
Within 1 year	77.67	58.84
1 year to 2 years	67.60	55.44
2 years to 3 years	56.71	47.86
3 years to 4 years	47.42	40.62
4 years to 5 years	40.11	34.40
5 years to 10 years	116.44	103.78

## 34 Related Party Disclosures

### A List of Related Parties where Control Exists and also Related Parties with whom Transactions have Taken Place and Relationships

Nature of relationship	Name of the related parties
Entity exercising significant influence over the Company [Entity - ESI]	Highdell Investment Ltd.
Key Management Personnel [KMP]	T.S. Kalyanaraman (Chairman and Managing Director) T.K. Seetharam (Whole-time Director) T.K. Ramesh (Whole-time Director ) Sanjay Raghuraman (Appointed as Chief Executive Officer w.e.f. July 01, 2020) V. Swaminathan (Chief Financial Officer) Jishnu R.G. (Company Secretary)
Relatives of KMP	N.V.Ramadevi (wife of T.S. Kalyanaraman) Maya Seetharam (wife of T.K. Seetharam) Deepa Ramesh (wife of T.K. Ramesh) T.K.Radhika (daughter of T.S. Kalyanaraman)
Non - Executive Directors [NED]	Ramaswamy M (Independent Director) A D M Chavali (Independent Director) Kishori Jayendra Udeshi (Independent Director) Trikkur Sitaraman Anantharaman (Independent Director) Anil Nair (Appointed as Independent director w.e.f. May 29, 2020) Salil S Nair (Appointed as Non Executive Director w.e.f. May 29, 2020) Anish Kumar Saraf (Nominee director)
Enterprises over which KMP are able to exercise significant influence [KMP - ESI]	M/s Kalyan Textile M/s Kalyan Developers



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(Amounts in ₹ million, except for shares data or as otherwise stated)

### B Transactions with Related Parties

Nature of transactions	KMP	Entity - ESI	NED	KMP - ESI/ Subsidiaries
<b>Revenue from operations</b>				
T.S.Kalyanaraman	8.70	-	-	-
	<i>1.41</i>	-	-	-
T.K.Seetharam	1.35	-	-	-
	<i>6.55</i>	-	-	-
T.K.Ramesh	8.83	-	-	-
	<i>6.24</i>	-	-	-
<b>Allotment of equity shares upon conversion of CCPS (including share premium)</b>				
Highdell Investment Ltd.	-	1,190.47	-	-
	-	-	-	-
<b>Allotment of equity shares pursuant to IPO (including share premium)</b>				
Salil S Nair	-	-	0.85	-
	-	-	-	-
<b>Share of IPO expenses reimbursed to the Company</b>				
T.S.Kalyanaraman	77.57	-	-	-
	-	-	-	-
Highdell Investment Ltd.	-	155.14	-	-
	-	-	-	-
<b>Staff welfare expense</b>				
M/s Kalyan Textile	-	-	-	7.45
	-	-	-	<i>28.36</i>
<b>Managerial remuneration</b>				
T.S.Kalyanaraman	114.14	-	-	-
	<i>106.16</i>	-	-	-
T.K.Seetharam	114.14	-	-	-
	<i>106.16</i>	-	-	-
T.K.Ramesh	114.14	-	-	-
	<i>106.16</i>	-	-	-
Sanjay Raghuraman	14.87	-	-	-
	<i>8.91</i>	-	-	-
V. Swaminathan	18.45	-	-	-
	<i>15.23</i>	-	-	-
Jishnu R.G	2.12	-	-	-
	<i>1.21</i>	-	-	-
<b>Sitting fees paid</b>				
Ramaswamy M	-	-	1.00	-
	-	-	<i>0.50</i>	-
A D M Chavali	-	-	1.00	-
	-	-	<i>0.50</i>	-
Kishori Jayendra Udeshi	-	-	1.00	-
	-	-	<i>0.50</i>	-
Trikkur Sitaraman Anantharaman	-	-	1.00	-
	-	-	<i>0.50</i>	-
Anil Nair	-	-	1.00	-
	-	-	-	-
Salil S Nair	-	-	1.00	-
	-	-	-	-

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Nature of transactions	KMP	Entity - ESI	NED	KMP - ESI/ Subsidiaries
<b>Commission paid</b>				
Ramaswamy M	-	-	-	-
	-	-	<i>0.50</i>	-
A D M Chavali	-	-	-	-
	-	-	<i>0.50</i>	-
Kishori Jayendra Udeshi	-	-	-	-
	-	-	<i>0.50</i>	-
Trikkur Sitaraman Anantharaman	-	-	-	-
	-	-	<i>0.50</i>	-
<b>Reimbursement of expenses</b>				
T.K.Seetharam	-	-	-	-
	<i>0.19</i>	-	-	-
T.K Ramesh	-	-	-	-
	<i>1.84</i>	-	-	-
Sanjay Raghuraman	2.19	-	-	-
	<i>0.87</i>	-	-	-
V. Swaminathan	0.02	-	-	-
	<i>0.12</i>	-	-	-

### C Balance as on the Balance Sheet Date

Nature of transactions	KMP	Entity - ESI	NED	KMP - ESI/ Subsidiaries
<b>Payables (net) to related parties</b>				
Highdell Investment Ltd.	-	32.91	-	-
	-	-	-	-
T.S.Kalyanaraman	40.21	-	-	-
	<i>8.07</i>	-	-	-
T.K.Seetharam	14.69	-	-	-
	<i>8.07</i>	-	-	-
T.K.Ramesh	14.69	-	-	-
	<i>8.07</i>	-	-	-
Sanjay Raghuraman	4.27	-	-	-
	-	-	-	-
V. Swaminathan	0.36	-	-	-
	-	-	-	-
Jishnu R.G	0.11	-	-	-
	-	-	-	-

Amount in italics pertains to the year ended 31 March 2020

### D Notes to Related Party Disclosures

#### Notes:

- (i) Mr. T.S. Kalyanaraman, Mr. T.K. Seetharam and Mr. T.K. Ramesh and their relatives (indicated under 'Relatives of KMP') have provided joint personal guarantees on behalf of the Group to all its lenders for the various credit facilities extended by the lenders (including non fund based facilities). The details of such personal guarantees received/ (released) during the year and the closing balance of such personal guarantees is given below:

Particulars	31 March 2021	31 March 2020
<b>Lenders in India:</b>		
Personal guarantees received/ (released) during the year	(1,835)	(905)
Closing balance of personal guarantees received	23,525	25,360
<b>Lenders outside India:</b>		
Personal guarantees received/ (released) during the year	(23.94)	-
Closing balance of personal guarantees received	6,259.59	6,411.71



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### (ii) The Remuneration of Directors and other Members of key Managerial Personnel during the year was as Follows:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Short-term employee benefits (salaries, bonus and other allowances) (note v)	377.86		345.82	

(iii) The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.

(iv) Mr. T.S. Kalyanaraman, Mr. T.K. Seetharam and Mr. T.K. Ramesh has only provided personal guarantees to lenders outside India. Further the closing balance of personal guarantees provided includes ₹ 498.37 million (previous year 508.56 million) where only Mr. T.S. Kalyanaraman has provided personal guarantee.

(v) The above figures do not include provisions for encashable leave, gratuity and pension, as separate actuarial valuation are not available

(vi) Also refer Note 12 (vi) for details of transactions involving Mr. T.S. Kalyanaraman and Highdell Investment Ltd. in connection with IPO.

(vii) During the year ended 31 March 2021, 1 equity share of face value of ₹ 10/- was transferred to CEO.

## 35 Financial Instruments

### Categories of Financial Instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Note 2(xvii).

### (a) Financial Assets and Liabilities

The accounting classification of each category of financial instruments and their carrying amounts, are set out below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Investments (unquoted)	-	-	-	-
Others financial assets - non current	988.88	988.88	588.37	588.37
Trade receivables	1,126.64	1,126.64	2,136.54	2,136.54
Cash and bank balances	10,966.20	10,966.20	7,501.36	7,501.36
Others financial assets - current	343.11	343.11	452.60	452.60
<b>Total financial assets measured at amortised cost</b>	<b>13,424.83</b>	<b>13,424.83</b>	<b>10,678.87</b>	<b>10,678.87</b>
<b>Mandatorily measured at FVTPL</b>				
Derivative financial instruments not designated as hedging, carried at fair value	-	-	359.58	359.58
<b>Total financial assets</b>	<b>13,424.83</b>	<b>13,424.83</b>	<b>11,038.45</b>	<b>11,038.45</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
Borrowings	18,005.05	18,005.05	24,230.47	24,230.47
Metal gold loan	14,179.52	14,179.52	11,671.43	11,671.43
Lease liabilities	6,982.63	6,982.63	7,577.53	7,577.53

## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Trade payables	6,901.06	6,901.06	5,575.61	5,575.61
Others financial liabilities	1,792.76	1,792.76	656.37	656.37
<b>Total financial assets measured at amortised cost</b>	<b>47,861.02</b>	<b>47,861.02</b>	<b>49,711.41</b>	<b>49,711.41</b>
<b>Mandatorily measured at FVTPL</b>				
Derivative financial instruments not designated as hedging, carried at fair value	1,075.84	1,075.84	-	-
<b>Total financial liabilities</b>	<b>48,936.86</b>	<b>48,936.86</b>	<b>49,711.41</b>	<b>49,711.41</b>

The management assessed that fair values of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

### Following Methods and Assumptions were used to Estimate Fair Values:

Fair values of the Group's interest-bearing borrowings are determined by using EIR method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at reporting date was assessed to be insignificant.

### (b) Fair Value Hierarchy

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques. 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: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Quantitative Disclosures Fair Value Measurement Hierarchy

The derivative instruments in designated hedge accounting relationships is measured at fair value at level 1, with valuation technique being use of market available inputs such as gold prices and foreign exchange rates.

### (c) Financial Risk Management Objective

The Group's activities expose it to a variety of financial risks. The Group's primary focus is to foresee the unpredictability of such risks and seek to minimise potential adverse effects on its financial performance.

The Group has a robust risk management process and framework in place. This process is coordinated by the Board of the Group, which meets regularly to review risks as well as the progress against the planned actions. The Board seeks to identify, evaluate business risks and challenges across the Group through such framework. These risks include market risks, credit risk and liquidity risk.

### The Risk Management Process Aims to:

improve financial risk awareness and risk transparency

identify, control and monitor key risks

identify risk accumulations

provide management with reliable information on the Group's risk situation

improve financial returns



## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### 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	Risk management
Market risk - prices	Gold price fluctuations	Used as a hedging instrument for gold inventory or through metal gold loan facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Periodic review by management
Market risk - interest rate	Borrowings at variable rates	Mix of borrowings taken at fixed and floating rates
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments and other financial assets	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Availability of committed credit lines and borrowing facilities

#### Market Risk - Price Risk

The Group is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold. The Group's business objective includes safe-guarding its earnings against adverse price movements of gold as well as foreign exchange risks.

The Group has adopted a structured risk management process to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for fair value hedges/cash flow hedges, as designated at the inception of the hedge. The forward contracts which are not designated as

above are marked to market at each balance sheet date and corresponding gain/ loss is recognised in the Statement of Profit and Loss. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at any time during the tenor of the loan. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

The table below shows the position of hedging against probable forecast sales (commodity price risk) and currency forwards (currency risk) as of the balance sheet date.

As at	Quantity (Kgs)	Carrying amount - receivable/ (payable)		Maturity date
		Designated hedges as per IND AS 109	Other than designated hedges	
March 31, 2021	8,409	(670.28)	(405.55)	Range - within 6 months
March 31, 2020	2,534	-	270.64	Range - within 6 months

The table below shows the position of metal gold loans as on the balance sheet date

Particulars	As at 31 March 2021	As at 31 March 2020
Quantity (Kgs)	3,329.00	2,847.00
Carrying amount	14,179.52	11,671.43

#### Market Risk - Interest Rate

##### (i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the balance sheet date, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the Group to interest rate risk:

Particulars	As at 31 March 2021	As at 31 March 2020
Variable rate borrowing	19,600.14	24,731.67
Fixed rate borrowing	-	-

## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

### Interest Rate Sensitivity Analysis:

The sensitivity analyses below have been determined based on the exposure to interest rates for non derivative instruments at the reporting date. For floating rate borrowings, the analysis is prepared assuming the amount

of liability outstanding at the reporting date was outstanding for the whole year. The impact on the Group's profit if interest rates had been 50 basis points higher/lower and all other variables were held constant:

Particulars	As at 31 March 2021	As at 31 March 2020
Increase in borrowing rates by 50 basis points		
Impact on profits - Increase/ (decrease)	(122.56)	(138.29)
Impact on equity (net of tax) - Increase/ (decrease)	(81.64)	(103.48)
Decrease in borrowing rates by 50 basis points		
Impact on profits - Increase/ (decrease)	122.56	138.29
Impact on equity (net of tax) - Increase/ (decrease)	81.64	103.48

##### (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.

##### 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.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. Credit risk on receivables is limited as the nature of the business is cash and carry except for related parties and other large number of individual customers in various geographical areas. The Group has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

Therefore, the Group does not expect any material risk on account of non performance by any of the Group's counterparties.

The credit risk for cash and cash equivalents, bank deposits, security deposits and loans is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

##### Liquidity Risk

The Group requires funds both for short-term operational needs as well as for long-term expansion programmes. The Group remains committed to maintaining a healthy liquidity ratio, deleveraging and strengthening the balance sheet. The Group manages liquidity risk by maintaining adequate support of facilities from its holding Group, and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Group's financial liability is represented significantly by long term and short term borrowings from banks and trade payables. The maturity profile of the Group's short term and long term borrowings and trade payables based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below.



## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

The figures reflect the contractual undiscounted cash obligation of the Group

Particulars	As at 31 March 2021				As at 31 March 2020			
	Less than 1 year	1-3 year	More than 3 year	Total	Less than 1 year	1-3 year	More than 3 year	Total
Borrowings	17,803.56	201.49	-	18,005.05	23,791.30	421.69	17.48	24,230.47
Metal gold loan	14,179.52	-	-	14,179.52	11,671.43	-	-	11,671.43
Lease liabilities	860.12	2,720.49	3,402.02	6,982.63	903.44	2,555.11	4,118.98	7,577.53
Trade payable	6,901.06	-	-	6,901.06	5,575.61	-	-	5,575.61
Other financial liabilities	2,868.60	-	-	2,868.60	656.37	-	-	656.37
<b>Total</b>	<b>42,612.86</b>	<b>2,921.98</b>	<b>3,402.02</b>	<b>48,936.86</b>	<b>42,598.15</b>	<b>2,976.80</b>	<b>4,136.46</b>	<b>49,711.41</b>

### (d) Capital Management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to create value for shareholders by facilitating the meeting of long term and short term goals of the Group

The Group determines the amount of capital required on the basis of annual business plan

The table below summarises the capital, net debt and net debt to equity ratio (Gearing ratio) of the Group

Particulars	As at 31 March 2021	As at 31 March 2020
Equity share capital	10,300.53	8,392.42
Compulsorily convertible preference share capital	-	1,190.48
Other equity	17,959.77	12,028.20
Non controlling interests	4.96	(30.31)
<b>Total equity [A]</b>	<b>28,265.26</b>	<b>21,580.79</b>
Non-current borrowings	201.49	848.38
Current borrowings	17,803.56	23,382.00
Current maturities of non current borrowings	1,595.09	501.20
<b>Gross debts [B]</b>	<b>19,600.14</b>	<b>24,731.58</b>
<b>Total capital [A + B]</b>	<b>47,865.40</b>	<b>46,312.37</b>
Gross debts as above	19,600.14	24,731.58
Less: Cash and cash equivalents	(3,648.56)	(1,608.68)
Less: Bank balances other than cash and cash equivalents	(7,317.64)	(5,892.68)
<b>Net debts [C]</b>	<b>8,633.94</b>	<b>17,230.22</b>
<b>Net gearing ratio (times)</b>	<b>0.31</b>	<b>0.80</b>

### 36 Leases

The Group has adopted Ind AS 116 'Leases' with the date of initial application being 01 April 2019. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 01 April 2019. As a result, the comparative information has not been restated. In adopting Ind

AS 116, the Group has applied the below practical expedients:

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases". Expense relating to such short term leases recognised

## Notes

forming part of consolidated financial statements for the year ended 31 March 2021

(Amounts in ₹ million, except for shares data or as otherwise stated)

in Profit & Loss account amounts to ₹ 388.12 (31 March 2020: ₹ 497.01).

- The Group has not applied the requirements of Ind AS 116 for leases of low value assets.
- The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

On transition to Ind AS 116, the Group recognised right-of-use assets amounting to ₹ 9,384.32, lease liabilities amounting to ₹ 7,985.56 and ₹ 896.81 debited to retained earnings (net of taxes) as at 01 April 2019. The Group has discounted lease payments using the applicable incremental borrowing rate as at 01 April 2019, which is 11.85% for measuring the lease liability.

### 37 Impact of COVID-19 (Global pandemic):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the consolidated financial statements of the Group. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these consolidated financial statements has used internal and external sources of information. The Group has performed an analysis on the assumptions used and based on current estimates expects the carrying amount of its assets will be recovered. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements. As on

For and on behalf of Board of Directors

**T.S. Kalyanaraman**  
Managing Director  
DIN: 01021928

**Sanjay Raghuraman**  
Chief Executive Officer

Place: Thrissur  
Date: 27 May 2021

date of approval of these consolidated financial statements, most of the stores are closed due to the lock down imposed on account of second wave of COVID-19.

- During the year ended 31 March 2021, the Group has renegotiated with certain landlords on the rent reduction/ waiver due to COVID 19 pandemic. The Management believes that such reduction/ waiver in rent is short term in nature and also meets the other conditions specified in the notification issued by the Central Government in consultation with National Financial Reporting Authority dated 24 July 2020 as Companies (Indian Accounting Standards) Amendment Rules, 2020 with effect from 1 April 2020. Thus, in accordance with the said notification, the Group has elected to apply exemption as the reduction/ waiver does not necessitate a lease modification as envisaged in the Standard by recording in the "Other income" (net of rent expenses). Accordingly, the Group has recognised ₹ 225.99 million during the year ended 31 March 2021 in the statement of profit and loss.

- The figures of the previous year have been regrouped / reclassified, wherever necessary to conform with the current period classification.

- Approval of consolidated financial statements: The consolidated financial statements were approved for issue by the board of directors on 27 May 2021.

**T.K. Ramesh**  
Director  
DIN: 01021868

**V. Swaminathan**  
Chief Financial Officer

**T.K. Seetharam**  
Director  
DIN: 01021898

**Jishnu R.G**  
Company Secretary



## Kalyan Jewellers India Limited

CIN -U36911KL2009PLC024641

Registered Office -TC-32/204/2, Sitaram Mill Road, Punnamm, Thrissur, Kerala - 680 002

Web: [www.kalyanjewellers.net](http://www.kalyanjewellers.net), Telephone No - 0487 2437333, Email - [compliance@kalyanjewellers.net](mailto:compliance@kalyanjewellers.net)

### Notice

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting (“the Meeting” or “AGM”) of the members of KALYAN JEWELLERS INDIA LIMITED (“the Company”) will be held on **Thursday, the 23<sup>rd</sup> September, 2021 at 10.30 A.M.** through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

#### Ordinary Business

- To receive, consider and adopt:
  - the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and Auditors thereon; and
  - the Audited Consolidated Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the Report of Auditors thereon.
- To appoint a Director in place of Mr. TK Seetharam (DIN: 01021898), who retires by rotation and being eligible, offers himself for re-appointment.

#### Special Business

- To consider and if thought fit, to pass either with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** until such time Highdell Investment Ltd continues to hold at least five percent of the Equity share capital of the Company on a fully diluted basis, it shall have a right to nominate one director on the Board of Directors of the Company as provided in Article 119 of the Articles of Association of the Company.”

- To consider and if thought fit, to pass either with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any Member by the Company by sending it to him by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the Members of the Company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of

the documents, pursuant to any request made by the member for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least 10(Ten) days in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the Member.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, director or key managerial personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

- To consider and if thought fit, to pass either with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded for ratification of the ‘Kalyan Jewellers India Limited- Employee Stock Option Plan 2020’ (“ESOP 2020”/ “Plan”) as aligned with the provisions of the SEBI SBEB Regulations, which was originally approved by the members of the Company vide Special Resolution dated 20.08.2020 prior to initial public offer of shares of

the Company, which contemplates authority in the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations) to create, and grant from time to time, in one or more tranches, not exceeding 3,000,000 employee stock options to or for the benefit of such person(s) who are in permanent employment of the Company within the meaning of ESOP 2020, including any director, whether whole time or otherwise (other than the employees who are Promoters of the Company or belonging to the Promoter Group, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under the ESOP 2020, exercisable into not more than 3,000,000 equity shares of face value of ₹10/- (Rupees Ten) each fully paid-up, where one employee stock option would convert in to one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2020”.

**“RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.”

**“RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.”

**“RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2020 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.”

**“RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to

the extent relevant and applicable to the ESOP 2020.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, and things, and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to this resolution with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard in conformity with the provisions of the Companies Act, 2013, SEBI SBEB Regulations, the Memorandum and Articles of Association of the Company and other applicable laws.”

- To consider and if thought fit, to pass either with or without modification(s), the following resolution as a Special Resolution:

**“Resolved that** pursuant to the provisions of the Section 62(1)(b) and any other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the provisions of the Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of the Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as the “SEBI SBEB Regulations”), the relevant provisions of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2014, the relevant provisions of the Memorandum and Article of Association of the Company and subject to such other approval, sanction, permission as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed while granting such further approval, sanction, permission, consent of the Company be and is hereby accorded for ratification of the “Kalyan Jewellers India Limited- Employee Stock Purchase Scheme 2020” (“ESPS 2020”/ “Scheme”) as aligned with the provisions of the SEBI SBEB Regulations, which was originally approved by the members of the Company vide Special Resolution dated 20.08.2020 prior to the initial public offer of the equity shares of the Company, which contemplates authority to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include committee, including Nomination and Remuneration Committee, which the Board has constituted or re-constituted pursuant to provisions of the Companies Act, 2013, which exercise power, roles, responsibility conferred under this resolution and under Regulation 5 of the SEBI SBEB Regulations) to create, offer and allot from time to time, in one or more tranches, not exceeding 750,000 fully paid-up equity shares of face value of ₹10/- (Rupees Ten) each fully paid





up of the Company in aggregate, to be transferred by Kalyan Jewellers Employees Stock Purchase Scheme Trust ("Trust") to be acquired from primary/fresh issue and/or secondary market, to or for the benefit of such person(s), who are in permanent employment of the Company and its subsidiary companies, within the meaning of ESPS 2020, including any director, whether a whole-time director or otherwise (other than the employee who is a promoter or belongs to the promoter group of the Company, independent director or director who either by themselves or through their relative(s) or through any body corporate holding directly or indirectly more than 10% of the outstanding equity shares of the Company), on such terms and in such manner which the Board may determined as per the provisions of the Applicable Laws and ESPS 2020.

**"RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as sub division, consolidation of shares, rights issues, bonus issues, and others, if there is any change in the total number of paid-up equity shares, then the above ceiling of equity shares and the price of acquisition payable by the employee shall be deemed to be increased or decreased in line with such change in total paid up equity shares and/or face value thereof."

**"RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESPS 2020."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, and things, and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to this resolution with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard in conformity with the provisions of the Companies Act, 2013, SEBI SBEB Regulations, the Memorandum and Articles of Association of the Company and other applicable laws."

(By Order of the Board)  
for Kalyan Jewellers India Limited

**Jishnu RG**  
Company Secretary  
ACS No. 32820

Place: Thrissur  
Date: 10.08.2021

#### Notes:

- In view of the continuing COVID -19 pandemic, the companies are permitted to conduct Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the members at a common venue, for the calendar year 2021, by the Ministry of Corporate Affairs vide its Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 and Circular No. 2/2021 dated January 13, 2021 and Securities and Exchange Board of India (SEBI) vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021. Pursuant to the above circulars, the 13<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM and hence, the facility for appointment of proxy by the members is not available for this AGM and the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. Pursuant to the above circulars, Annual Report for the Financial Year 2020-21 and Notice of the 13<sup>th</sup> AGM are sent only through electronic mode to the members of the Company.
- For convenience of the members and proper conduct of AGM, members can login and join at least 15 minutes before the time scheduled for the AGM and the meeting link shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis
- The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013, (the Act).
- The Statement setting out material facts, pursuant to Section 102 of the Act, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) in respect of the Special Businesses, specified in item nos. 3 to 6 of the accompanying Notice is annexed hereto.
- Corporate Members are required to send by e-mail a certified true copy of the Board Resolution, pursuant to Section 113 of the Act, authorising

their representatives to attend and vote on their behalf at the Meeting

- Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility for voting through remote e-voting as well as e-voting during the AGM in respect of all the businesses to be transacted at the AGM and has engaged National Securities Depository Ltd. (NSDL) to provide e-voting facility and for participation in the AGM through VC / OAVM facility.
- A brief resume of each of the Directors proposed to be appointed / re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Regulation 36 of the Listing Regulations and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in the Annexure.
- All documents referred to in the accompanying Notice and the Statement setting out material facts can be obtained for inspection by writing to the Company at its email ID [cs@kalyanjewellers.net](mailto:cs@kalyanjewellers.net) till the date of AGM.
- Electronic copy of the Annual Report for FY 2020-21 and Notice of AGM are uploaded on the Company's website [www.kalyanjewellers.net](http://www.kalyanjewellers.net) and is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s)/ RTA for communication purposes and also on the website of BSE Ltd., and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. Further, Notice of AGM is available on the website of NSDL, the agency engaged for providing e-voting facility, i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- The annual accounts of the subsidiary company are made available on the website of the Company [www.kalyanjewellers.net](http://www.kalyanjewellers.net).
- The SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit the PAN to their respective Depository Participant(s). Members holding shares in physical form can submit their PAN details to the Company or to the RTA (Link Intime India Private Limited).
- The cut-off date for the purpose of determining the members eligible for participation in remote

e-voting and voting during the AGM is Thursday, 16<sup>th</sup> September, 2021. Please note that a person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting during the Meeting. If members opt for remote e-voting, then they should not vote at the Meeting. However, once an e-vote on a resolution is cast by a member, such member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again.

- In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- The Board of Directors of the Company have appointed Mr. CS Thiagarajan Company Secretary in Practice, Coimbatore as the Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.
- The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or a person authorised by him in writing, who shall countersign the same and declare results (consolidated) within two working days from the conclusion of the AGM.
- The result declared along with the Scrutinizers Report will be placed on the Company's website [www.kalyanjewellers.net](http://www.kalyanjewellers.net) and on the website of NSDL e-voting ([www.evotingindia.com](http://www.evotingindia.com)) immediately after the declaration of result and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited.
- Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Thursday, 16<sup>th</sup> September, 2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cs@kalyanjewellers.net](mailto:cs@kalyanjewellers.net). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on Shareholder/ Member Login at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders





holding securities in demat mode who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, 16<sup>th</sup> September, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system". A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again. At the end of remote e-voting period, the facility shall forthwith be blocked

18. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email id, mobile number to [cs@kalyanjewellers.net](mailto:cs@kalyanjewellers.net) between 9.00 a.m. on 16<sup>th</sup> September, 2021 and 5.00 p.m. on 18<sup>th</sup> September, 2021. The speaker members are requested to maintain a time limit of 5 minutes to complete their views/questions.
19. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 20<sup>th</sup> September, 2021 at 09:00 A.M. IST and ends on

Wednesday, 22<sup>nd</sup> September, 2021 at 05: 00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 16<sup>th</sup> September, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 16<sup>th</sup> September, 2021.

#### How do I Vote Electronically Using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

##### Step 1: Access to NSDL e-Voting system

#### A) Login Method for e-Voting and Joining Virtual Meeting for Individual Shareholders holding Securities in Demat Mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

#### Helpdesk for Individual Shareholders holding Securities in Demat Mode for any Technical Issues Related to Login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022- 23058542-43

#### B) Login Method for e-Voting and Joining Virtual Meeting for Shareholders other than Individual Shareholders holding Securities in demat mode and Shareholders holding securities in physical mode.

##### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.





4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 116977 then user ID is 116977001

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account

with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - Now, you will have to click on "Login" button.
  - After you click on the "Login" button, Home page of e-Voting will open.

#### Step 2: Cast Your Vote Electronically and Join General Meeting on NSDL e-Voting system.

#### How to Cast your Vote Electronically and Join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company (EVEN No. 116977) for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to [mrthiagarajan@gmail.com](mailto:mrthiagarajan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### Process for those Shareholders whose email ids are not Registered with the Depositories for Procuring User Id and Password and Registration of e mail ids for e-voting for the Resolutions set out in this Notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at "Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode".
- Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

#### The Instructions for Members for e-Voting on the Day of the Agm are as under: -

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted 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 system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### Instructions for Members for Attending the Agm Through VC/Oavm are as under:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN (116977) of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members are advised to send their queries in advance mentioning their name demat account number / folio number, email id, mobile number to [cs@kalyanjewellers.net](mailto:cs@kalyanjewellers.net) Questions / queries received by the Company till 5.00 p.m. on 18<sup>th</sup> September, 2021 shall only be considered and responded during the AGM.



**STATEMENT SETTING OUT MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE ACT), SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (THE LISTING REGULATIONS)**

**Item No. 3**

Article 119 of the Articles of Association of the Company provides that, post listing of the equity shares of the Company, and until such time Highdell Investment Ltd continues to hold at least five percent of the Equity share capital of the Company on a fully diluted basis, it will have the right to appoint one director on the Board of Directors of the Company as provided therein, subject to approval of the shareholders to be accorded by way of special resolution. In view of the same, the approval of the shareholders is being sought to be obtained to implement Article 119 of the Articles of Association of the Company. Highdell Investment Ltd is a significant investor and shareholder in the Company prior to and post listing of the Equity shares.

The Board recommends the resolution at Item No.3 for approval of the shareholders as a Special Resolution. None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution. A copy of Articles of Association containing the said Article 119 would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 05.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

**Item No-4.**

As per the provisions of Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense that may be borne by the Company for such dispatch will be paid in advance by the member to the company.

The Board of Directors recommends passing of the Ordinary Resolution as set out at Item No: 4 of this Notice.

No Director of the Company, Key Managerial Personnel or their relatives respectively is in any way concerned or interested in the proposed resolution.

**Item No-5 & 6.**

The Company had implemented an employee stock option plan namely 'Kalyan Jewellers India Limited-Employee Stock Option Plan 2020' ("ESOP 2020"/"Plan") and an employee stock purchase scheme namely 'Kalyan Jewellers India Limited-Employee

Stock Purchase Scheme 2020' ("ESPS 2020"/"Scheme") (collectively referred to as "Employee Benefit Schemes") vide members' special resolution dated 20.08.2020 prior to its initial public offer ("IPO") of equity shares of face value of ₹10 each fully paid up ("Shares"), with the objectives to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents and to retain them for ensuring sustained growth.

The Company had implemented the ESPS 2020 through the employee welfare trust of the Company namely 'Kalyan Jewellers Employees Stock Purchase Scheme Trust' ("Trust") which was already formed by the Company vide Trust deed dated 20.08.2020 entered between the Company and trustees of the Trust. Under the ESPS 2020, the Trust shall acquire Shares from fresh issue and/or secondary market.

In the meantime, the Company had completed its IPO with listing of its equity shares done on 26.03.2021 on the recognised stock exchanges. Your Company has neither granted any employee stock option ("Option") nor issued any Share under the pre-IPO ESOP 2020 and ESPS 2020 respectively so far. In terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), any fresh grant of Options or issue of Shares can be made under the ESOP 2020 or ESPS 2020 respectively, in case Employee Benefit Schemes are in compliance with the SEBI SBEB Regulations and are ratified by the members of the Company.

Accordingly, the Employee Benefit Schemes are placed before the members for ratification in terms of the aforesaid Regulation after which your Company would be able to grant Options under the ESOP 2020 and issue Shares under the ESPS 2020. Thus, there shall not be any further equity dilution for the members upon exercise of Options by employees or issue of Shares to employees.

Your Board recommends passing of proposals namely ratification of the ESOP 2020 and ESPS 2020 under the Regulation 12 (1) of the SEBI SBEB Regulations.

Given the nature of proposed amendment, it is not detrimental to the interests of any existing option grantees/employees as the amendments are intended to be prospective. The beneficiaries of this amendment shall be the eligible employees who may be granted options or issue Shares under the ESOP 2020 and ESPS 2020.

The afore-stated proposals were already approved by the Nomination and Remuneration Committee of the Directors ("Committee") and your Board at their respective meetings held on 29.07.2021 and 12.08.2021.

Features of the ESOP 2020 and ESPS 2020 shall remain the same as originally approved and are reproduced again in terms of SEBI SBEB Regulations as under:

**A. Brief Description of the Plan:**

- i. ESOP 2020: Keeping view the aforesaid objectives, the ESOP 2020 contemplates grant of options, to the eligible employees of the Company.
- ii. ESPS 2020: Keeping view the aforesaid objectives, the ESPS 2020 contemplates issue of Shares, to the eligible employees of the Company.
- iii. The Committee shall act as Compensation Committee for the administration of the Employee Benefit Schemes. All questions of interpretation of the Employee Benefit Schemes shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in Employee Benefit Schemes.

**B. Total number of options to be granted:**

- i. ESOP 2020: The total number of options to be granted under the ESOP 2020 shall not exceed 30,00,000. Each option when exercised would be converted in to one equity share of ₹10/- (Rupees Ten) each fully paid-up.
- ii. ESPS 2020: 750,000 equity shares of the Company having face value of ₹10/- (Rupees Ten) each fully paid-up would be available for transfer to the eligible employees of the Company and its subsidiary company(ies) under the ESPS 2020, in one or more tranches, as may be determined in accordance with the provisions of the ESPS 2020 and in due compliance with the applicable laws and regulations.
- iii. Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted the ESOP 2020 /Shares issued under the ESPS 2020.

**C. Identification of classes of employees entitled to participate in the Employee Benefit Schemes:**

All permanent employees and Directors (hereinafter referred to as "Employees") of the Company shall be eligible subject to determination or selection by the Committee. Following classes of employees/ Directors are eligible being:

- i. a permanent employee of the Company who has been working in India or outside India;
- ii. a director of the Company, whether a whole time director or not but excluding an independent director.

but does not include—

- (i) an employee who is a Promoter or belongs to the Promoter Group; and
- (ii) a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company.

Provided that in case of the ESPS 2020, permanent employees and directors of the subsidiary company(ies) of the Company shall also be eligible to participate in the ESPS 2020.

**D. Requirements of Vesting and period of Vesting:**

- i. ESOP 2020: All the options granted on any date shall vest not earlier than minimum period of 1 (One) year and not later than a maximum period of 3 (Three) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting period.

The vesting dates in respect of the options granted under the ESOP 2020 shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of options to be vested.

Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

- ii. ESPS 2020: The requirement of the vesting is not relevant in the ESPS 2020.

**E. Maximum period within which the options shall be vested:**

- i. ESOP 2020: All the options granted on any date shall vest not later than a maximum of 3 (Three) years from the date of grant of options as stated above.
- iii. ESPS 2020: The requirement of the vesting is not relevant in the ESPS 2020.



**F. Exercise price or pricing formula:**

- i. ESOP 2020: The Exercise Price shall be determined by the Committee at its sole discretion which shall not be less than the face value of the Share as on date of Grant of such Option.
- ii. ESPS 2020: The offer price per Share shall be such price being not less than the face value of the Share of the Company as on date of offer.

**G. Exercise period/ offer period and the process of exercise:**

- i. ESOP 2020: The exercise period would commence from the date of vesting and will expire on completion 5 (Five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time. The vested option shall be exercisable by the option grantees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The options shall lapse if not exercised within the specified exercise period.
- ii. ESPS 2020: The offer of transfer under ESPS 2020 shall be for such time period as determined by the Committee at its discretion.

The offer shall be accepted by the employees by a written application to the Company along with the offer price expressing his/ her desire to have such shares transferred in such manner and on such format as may be prescribed by the Committee from time to time. The offer shall lapse if not responded adequately within the specified offer exercise period.

**H. Appraisal process for determining the eligibility of employees under the Employee Benefit Schemes:**

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

- i. Maximum number of options to be issued or Shares to be allotted per employee and in aggregate:

- i. ESOP 2020: The maximum number of options that may be granted to any specific employee of the Company per employee and in aggregate under the ESOP 2020 shall not exceed 12,00,000 options.
- ii. ESPS 2020: The number of Shares that may be granted per employee under the ESPS 2020 shall not exceed 25,000 Shares.

**J. Maximum quantum of benefits to be provided per employee:**

- i. ESOP 2020: Apart from grant of options as stated above, no monetary benefits are contemplated under the ESOP 2020.
- ii. ESPS 2020: The maximum quantum of benefits underlying the Shares transferred to an eligible employee shall be dependent on the maximum quantum of Shares granted and the offer price as on date of allotment of the Shares.

**K. Maximum period within which the Shares allotted shall be subject to Lock-in:**

- i. ESOP 2020: This is currently not contemplated under the present ESOP 2020
- ii. ESPS 2020: Shares allotted under ESPS 2020 would be subject to lock-in period of 1 (One) year from the date of transfer of such Share.

**L. Route of implementation:**

- i. ESOP 2020: The ESOP 2020 shall be implemented and administered directly by the Company.
- ii. ESPS 2020: The ESPS 2020 shall be implemented and administered through the Trust.

**M. Source of acquisition of shares:**

- i. ESOP 2020: The ESOP 2020 contemplates issue of fresh/ primary shares by the Company.
- ii. ESPS 2020: The ESPS 2020 contemplates issue of fresh/primary Shares and/or secondary acquisition of Shares by the Trust.

**N. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc.:**

- i. ESOP 2020: This is currently not contemplated under the present ESOP 2020.
- ii. ESPS 2020: This is currently not contemplated under the present ESPS 2020.

**O. Maximum percentage of secondary acquisition:**

- i. ESOP 2020: This is not relevant under the present ESOP 2020.
- ii. ESPS 2020: The ESPS 2020 envisages acquisition of shares from the secondary market which shall not exceed 5% of the paid-up equity share capital of the Company as on March 31, 2021 which is the statutory ceiling prescribed under the SEBI SBEB Regulations.

**P. Accounting and Disclosure Policies for the Employee Benefit Schemes:**

The Company shall follow the IND AS 102 on Share based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing guidance note or accounting standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

**Q. Method of option valuation:**

- i. ESOP 2020: The Company shall adopt 'fair value method' for valuation of options as prescribed under guidance note or under any accounting standard, as applicable, notified by appropriate authorities from time to time.
- ii. ESPS 2020: To calculate the employee compensation cost, the Company shall use the Fair Value method for valuation of the Shares transferred.

**R. Declaration with respect to the Employee Benefit Schemes:**

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

As the ESOP 2020 and ESPS 2020 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) of the Companies Act, 2013, read with Regulations 12(1) of the SEBI SBEB Regulations.

A draft copy of the ESOP 2020 and ESPS 2020 is available for inspection at the Company's registered office / corporate office during official hours on all working days till the date of the 13<sup>th</sup> annual general meeting.

None of the Directors, key managerial personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted options under the ESOP 2020 and issue Shares under the ESPS 2020.

(By Order of the Board)  
for **Kalyan Jewellers India Limited**

S/d  
**Jishnu RG**  
Company Secretary  
ACS No. 32820  
Place: Thrissur  
Date: 10.08.2021





## Notes

# Corporate Information

### Board of Directors

**Mr. T.S. Kalyanaraman**  
Chairman & Managing Director

**Mr. T.K Seetharam**  
Whole-time Director

**Mr. T. K Ramesh**  
Whole-time Director

**Mr. Salil Nair**  
Non-Executive Director

**Mr. Anish Saraf**  
Non-Executive, Nominee  
Director

**Mr. A.D.M Chavali**  
Independent Director

**Mr. Mahalingam Ramaswamy**  
Independent Director

**Mr. T.S. Anantharaman**  
Independent Director

**Ms. Kishori Jayendra Udeshi**  
Independent Director

### Chief Executive Officer

**Mr. Sanjay Raghuraman**  
(appointed as CEO w.e.f July 1, 2020)

### Company Secretary & Compliance Officer

**Mr. Jishnu RG**  
(designated as Compliance Officer w.e.f July 1, 2020)

### Statutory Auditors

Deloitte Haskins & Sells LLP  
7<sup>th</sup> Floor, Times Square,  
Door No. 62,  
A.T.T. Colony Road,  
Coimbatore - 641018

**Mr. Anil Sadasivan Nair**  
Independent Director

### Audit Committee

**Mr. A.D.M Chavali**  
Chairman

**Mr. Anish Saraf**  
**Mr. Mahalingam Ramaswamy**  
**Nomination & Remuneration Committee**

**Mr. Mahalingam Ramaswamy**  
Chairman

**Mr. A.D.M Chavali**  
**Mr. Anish Saraf**  
**Corporate Social Responsibility Committee**

**Mr. T.S. Kalyanaraman**  
Chairman

**Mr. Mahalingam Ramaswamy**  
**Mr. T.K Seetharam**  
**Mr. T. K Ramesh**  
**Risk Management Committee**

**Mr. Salil Nair**  
Chairman

**Mr. Anil Sadasivan Nair**  
**Mr. T.K Seetharam**  
**Stakeholders Relationship Committee**

**Mr. T.S. Anantharaman**  
Chairman

**Mr. T.K Seetharam**  
**Mr. T. K Ramesh**

### Chief Financial Officer

**Mr. V Swaminathan**

### Registered & Corporate Office

TC-32/204/2, Sitaram Mill Road,  
Punkunnam, Thrissur, Kerala - 680 002

### Registrar and Transfer Agent

Link Intime India Private Limited  
C-101, 1<sup>st</sup> Floor, 247 Park  
Lal Bahadur Shastri Marg  
Vikhroli (West), Mumbai 400083



**KALYAN JEWELLERS INDIA LIMITED**

**Registered & Corporate Office**

TC-32/204/2, Sitaram Mill Road,  
Punkunnam, Thrissur, Kerala - 680 002

**Tel:** +91 487 24 37 333

**Fax:** +91 487 24 37 334

**Website:** [www.kalyanjewellers.net](http://www.kalyanjewellers.net)

**CIN:** U36911KL2009PLC024641