PCJ
Jeweller for generations
PC Jeweller

PC Jeweller Limited
ANNUAL REPORT
2012-2013

Message from Managing Director

Dear Shareholders,

The Board of Directors and the Management team of PC Jeweller Limited are privileged to present Company's Annual Report for the financial year 2012-13. Despite the challenging economic environment, your Company continued to register growth in its topline as well as bottomline. Its continuous emphasis on selling diamond jewellery and high value designer jewellery as against commodity items like gold coins has also resulted in improving profit margins.

The jewellery industry in India continues to be dominated by unorganized sector. This gives organized branded jewellery players a huge potential for growth and expansion and your Company is well poised to take advantage of the same. It continues to establish new showrooms and opened 6 new showrooms during the year taking the total tally of its showrooms to 30 as on March 31, 2013. The Company aims to be a 50 showroom strong chain by March, 2014.

Your Company has a well established business model. It has established itself as a wedding jeweller and opens only large format stores at high street locations, with maximum variety to cover all price points. The Company has transparent customer friendly policies which enables it to gain customer trust and confidence.

Your Company has strong designing and manufacturing capabilities, which enables it to bring out new ranges and collections at regular intervals.

Your Company is present in both domestic as well as export markets. It exports handmade designer gold and diamond jewellery on wholesale basis. However, the Company plans to concentrate on and grow its domestic business, keeping its export operations at existing levels.

Financial year 2012-13 was an important year for the Company, wherein it realised its dream of coming out in public space and become a listed entity. The Company successfully carried out its Initial Public Offering (IPO) in December, 2012. The IPO got overwhelming response from the investors and was over-subscribed to the extent of 6.01 times.

I place on record my sincere appreciation for the contribution of all employees and also thank all stakeholders for supporting us. This helped your Company to sustain a high level of performance, as reflected in this report.

I look forward to being in touch with you and sharing my perceptions in future also.

With best wishes to each one of you and your family members.

Yours sincerely,
Sd/-
Balram Garg
Managing Director

BRANDING
INITIATIVES

Glimpses of various branding initiatives taken by

PCJ
Jeweller for generations

PC Jeweller

SOCIAL INITIATIVES

PCJ AAS HOUSWIVES AWARDS 2013

AAS, a Non Profit Organization and PC Jeweller Limited, a leading jewellery house, have jointly taken the initiative to create awareness against the dreaded Cervical Cancer. Through their collaboration, PCJ and AAS have organized the 'AAS Housewives Awards 2013' on July 13, 2013 at New Delhi dedicated to the Indian housewives.

PCJ VADODARA MARATHON 2013

PC Jeweller Limited has sponsored the 'Queens Run 2013'- a 5.5 km Breast Cancer Awareness night run for women, which was held on May 1, 2013 at Vadodara (Gujrat). The Queen of Vadodara flagged off the 5.5 km night run, along with Mr Balram Garg, Managing Director, PC Jeweller Limited.

MANUFACTURING
UNIT IN NOIDA

Contents

CORPORATE INFORMATION

Board of Directors

Chairman
Mr. Padam Chand Gupta

Managing Director
Mr. Balram Garg

Independent Directors
Mr. Krishan Kumar Khurana
Dr. Manohar Lal Singla

President (Finance)
Mr. Sanjeev Bhatia

Company Secretary & Compliance Officer
Mr. Vijay Panwar

Statutory Auditors
M/s Walker, Chandiok & Company, Chartered Accountants
21st floor, DLF Square, Jacaranda Marg,
DLF Phase III,
Gurgaon - 122002
Firm registration No: 001076N

M/s Sharad Jain Associates, Chartered Accountants
213, Hans Bhavan
1, Bahadur Shah Zafar Marg
New Delhi - 110002
Firm registration No: 015201N

Registrar and Share Transfer Agent (RTA)
Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad 500 081, India
Tel: (+91 40) 4465 5000
Email: einward.ris@karvy.com

Registered Office
PC Jeweller Limited,
24/2708, Bank Street, Karol Bagh,
New Delhi – 110005

Corporate Office
PC Jeweller Limited,
C – 54, Preet Vihar,
Vikas Marg, Delhi – 110092

Website: www.pcjeweller.com

NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Members of PC Jeweller Limited will be held on Wednesday, the 18th day of September, 2013, at 3:00 p.m., at Air Force Auditorium, Subroto Park, New Delhi – 110010, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, Statement of Profit & Loss Account for the financial year ended on that date together with the reports of Statutory Auditors and the Directors' thereon.
2. To declare dividend for the financial year 2012-13.
3. To appoint a director in place of Dr. Manohar Lal Singla, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Walker, Chandiok & Co., Chartered Accountants and M/s Sharad Jain Associates, Chartered Accountants, as Statutory Auditors and authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Director's Relatives (Office or Place of Profit) Rules, 2011 and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the re-appointment of Mr. Sachin Gupta, a relative of director of the Company, for holding and continue to hold an office or place of profit as President (Gold Manufacturing) (or any other designation and roles which the Board of Directors/Remuneration & Compensation Committee may decide from time to time) on the following terms and conditions:

a) Date of re-appointment	:	July 1, 2013
b) Period of re-appointment	:	5 years i.e. upto June 30, 2018
c) Monthly salary	:	₹3,00,000 with a provision for merit based annual increase in salary of not more than 10% per annum over the previous year.

   d) Company maintained car with driver for official use.
   e) Reimbursement of expenses incurred in connection with the business of the Company.
   f) All other allowances, benefits and facilities, if any, as per the policy of the Company.

   RESOLVED FURTHER THAT the Board of Directors/Remuneration & Compensation Committee be and is hereby also authorised to vary or modify the above terms including remuneration, from time to time, during the tenure of appointment, without any further reference to the Company in General Meeting, provided however that such variation is within the limits fixed aforesaid or as may be approved by the Central Government.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to do all such acts, deeds and things and to execute all such documents and writings as may be required and to delegate all or any of its powers herein conferred to any director to give effect to the aforesaid resolutions.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to agree to such modifications and/or variations as may be suggested by Central Government while granting its approval."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Director's Relatives (Office or Place of Profit) Rules, 2011 and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to the re-appointment of Mr. Nitin Gupta, a relative of director of the Company, for holding and continue to hold an office or place of profit as President (Diamond Manufacturing) (or any other designation and roles which the Board of Directors/ Remuneration & Compensation Committee may decide from time to time) on the following terms and conditions:

a) Date of re-appointment : July 1, 2013
b) Period of re-appointment : 5 years i.e. upto June 30, 2018
c) Monthly salary : ₹3,00,000 with a provision for merit based annual increase in salary of not more than 10% per annum over the previous year.
d) Company maintained car with driver for official use.
e) Reimbursement of expenses incurred in connection with the business of the Company.
f) All other allowances, benefits and facilities, if any, as per the policy of the Company.

RESOLVED FURTHER THAT the Board of Directors/Remuneration & Compensation Committee be and is hereby also authorised to vary or modify the above terms including remuneration, from time to time, during the tenure of appointment, without any further reference to the Company in General Meeting, provided however that such variation is within the limits fixed aforesaid or as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to do all such acts, deeds and things and to execute all such documents and writings as may be required and to delegate all or any of its powers herein conferred to any director to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to agree to such modifications and/or variations as may be suggested by Central Government while granting its approval."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in furtherance of and supplemental to the Special Resolution passed by the Members in the Extra-Ordinary General Meeting of the Company held on September 26, 2011, pursuant to Clause 22.2A and other applicable provisions, if any, of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (including any statutory modification(s) or re-enactment thereof for the time being in force) **("SEBI Guidelines")**, provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, and subject to such other approvals, consents, permissions and sanctions, as may be applicable, including such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, **PC Jeweller Limited Employee Stock Option Plan 2011 ("ESOP 2011")** formulated and approved prior to the Initial Public Offering (**"IPO"**) of the Company, be and is hereby ratified and consent of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"the Board"**, which term shall be deemed to include any committee of the Board including the Remuneration & Compensation Committee, which the Board has constituted to exercise its powers including the powers conferred by this resolution) to create, offer, issue and grant/allot at any time, directly or through a trust, to the eligible employees of the Company as defined under the ESOP 2011, upto a maximum of 26,79,330 (Twenty Six Lakhs Seventy Nine Thousand Three Hundred and Thirty) options, each option convertible into one fully paid-up equity share of ₹10 of the Company, on payment of the requisite exercise price to the Company, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board and/or the Remuneration & Compensation Committee in accordance with the ESOP 2011.

RESOLVED FURTHER THAT the Board and/or the Remuneration & Compensation Committee, be and is hereby authorised to do all such acts as it may in its absolute discretion deem necessary to bring the ESOP 2011 into effect including incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board and/or Remuneration & Compensation Committee be and is hereby authorised to administer and implement the ESOP 2011, settle all questions, difficulties or doubts that may arise in relation to the implementation of the ESOP 2011, including to amend or modify any terms thereof in accordance with and subject to all applicable SEBI Guidelines, without being required to seek any further approval or consent of the Members and to do all other acts, deeds and things, as it may deem fit and proper from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of the shares, on behalf of the Company, the Board and/or the Remuneration & Compensation Committee be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP 2011 from time to time or to suspend, withdraw or revive the ESOP 2011 from time to time, as may be specified by any statutory authority or otherwise and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose in conformity with the Companies Act, 1956, the Memorandum and Articles of Association of the Company, the SEBI Guidelines as amended from time to time and any other applicable laws and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board and/or the Remuneration & Compensation Committee to secure any further consent or approval of the Company.

RESOLVED FURTHER THAT subject to the applicable laws and any approvals, consents, permissions and sanctions, as may be required, the options may be allotted to the eligible employees either directly or through a trust constituted/to be constituted by the Board and/or Remuneration & Compensation Committee.

RESOLVED FURTHER THAT the equity shares, if any, issued/allotted upon exercise of options from time to time in accordance with the ESOP 2011, shall rank *pari-passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division or such other event, if any, additional equity shares/options are issued by the Company to the holder of the options/trust for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 26,79,330 (Twenty Six Lakhs Seventy Nine Thousand Three Hundred and Thirty) options convertible into one fully paid-up equity share of ₹10 shall be deemed to have increased to the extent of such additional equity shares/options issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition of the equity shares to the aforesaid option grantees under the ESOP 2011 shall automatically stand augmented or reduced, as the case may be, in the same proportion, which the present face value of ₹10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligation of the said option holders.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to take necessary steps for listing of the equity shares allotted under the ESOP 2011 on the Stock Exchanges, where the shares of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock exchanges and other applicable guidelines, rules and regulations."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 61 and any other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), other applicable rules, regulations, guidelines and other statutory provisions for the time being in force and such other approvals, permissions and sanctions, if any, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors ("**Board**") to vary the terms referred to in the Prospectus dated December 16, 2012, filed by the Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana, New Delhi ("**RoC**") including to vary and/or revise the expected period of establishment of new showrooms from the proceeds of Initial Public Offering (IPO) of equity shares in pursuance of the said Prospectus, as explained in the Explanatory Statement annexed to this notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, as the Board may in its absolute discretion deem fit, necessary and expedient for the purpose of giving effect to this resolution, without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to delegate all or any of the aforesaid powers to any Committee of Directors or to any other officer(s)/authorised representative(s) of the Company, to give effect to the aforesaid resolution."

By order of the Board,
For **PC Jeweller Limited,**

Sd/-
(VIJAY PANWAR)
Company Secretary

Place: New Delhi
Date: July 25, 2013

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote at the meeting, on their behalf.
3. Members holding shares in dematerialized form are requested to update their bank details like MICR/IFSC Code with their respective Depositories in order to enable the Company usage of electronic mode of payment such as ECS/NECS/NEFT etc. for payment of dividend. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent (RTA), Karvy Computershare Private Limited.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members & Share Transfer books of the Company will remain closed from **September 11, 2013 to September 18, 2013 (both days inclusive)** for the purpose of Annual General Meeting and for determining the names of the Members eligible for dividend on equity shares, if declared at the meeting.
6. The dividend, as recommended by the Board of Directors, if declared, at the Annual General Meeting, will be paid on or before the 30th day from the date of declaration of dividend, to those Members, whose names stand registered on the Company's Register of Members:
   a) As Beneficial Owners as at the close of business hours on September 10, 2013, as per the list to be furnished by National Securities Depository Services Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in dematerialized form; and
   b) As Members in the Register of Members of the Company after giving effect to all the valid share transfers lodged with the Company's RTA, on or before September 10, 2013.
7. Members are requested to note that the dividend amount, which remains unclaimed/unpaid for a period of seven years from the date of declaration, will be transferred to the Investor Education and Protection Fund as per section 205A of the Companies Act, 1956.

8. Members/Proxies should bring the attendance slip duly filled in for attending the meeting. The attendance slip is enclosed.
9. Members are requested to bring their Annual Report along with them at the Annual General Meeting.
10. Annual Report is also available on the website of the Company at **www.pcjeweller.com** in the Investor section.
11. For the security and safety of the Members, no article/baggage will be allowed at the venue of the meeting.

EXPLANATORY STATEMENT

[Pursuant to section 173(2) of the Companies Act, 1956]

ITEM NO.5:

Mr. Sachin Gupta was appointed as President (Gold Manufacturing) w.e.f. July 1, 2011. Approval of the Members of the Company and approval of Central Government under section 314(1B) of the Companies Act was also obtained for that. The term of his office has expired on June 30, 2013. In view of his qualities supported by his experience and after assessing his business acumen and capabilities it is proposed to re-appoint Mr. Sachin Gupta.

The Selection Committee and the Board of Directors in their respective meetings held on July 25, 2013, have already approved the re-appointment of Mr. Sachin Gupta as President (Gold Manufacturing) on the terms and conditions as mentioned in the resolution.

Mr. Sachin Gupta shall continue to be in the exclusive employment of the Company and will not hold a place of profit in any other Company during the period of his employment in the company. He shall be located at Delhi or any other place as may be decided by the Company from time to time.

Since, Mr. Sachin Gupta is the relative (son) of the Chairman of the Company, Mr. Padam Chand Gupta, hence, his re-appointment amounts to an Office or Place of Profit and requires the approval of the Members of the Company and the Central Government in terms of section 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011.

The Board of Directors recommends the resolution for your approval by way of Special Resolution.

Except Mr. Padam Chand Gupta, none of the Directors of your Company is in any way concerned or interested in the resolution.

ITEM NO.6:

Mr. Nitin Gupta was promoted as President (Diamond Manufacturing) w.e.f. July 1, 2011. Approval of the Members of the Company and approval of Central Government under section 314(1B) of the Companies Act was also obtained for that. The term of his office has expired on June 30, 2013. In view of his qualities supported by his experience and after assessing his business acumen and capabilities it is proposed to re-appoint Mr. Nitin Gupta.

The Selection Committee and the Board of Directors in their respective meetings held on July 25, 2013, have already approved the re-appointment of Mr. Nitin Gupta as President (Diamond Manufacturing) on the terms and conditions as already mentioned in the resolution.

Mr. Nitin Gupta shall continue to be in the exclusive employment of the Company and will not hold a place of profit in any other Company during the period of his employment in the company. He shall be located at Delhi or any other place as may be decided by the Company from time to time.

Since, Mr. Nitin Gupta is the relative (son) of the Chairman of the Company, Mr. Padam Chand Gupta, hence, his re-appointment amounts to an Office or Place of Profit and requires the approval of the Members of the Company and the Central Government in terms of section 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011.

The Board of Directors recommends the resolution for your approval by way of Special Resolution.

Except Mr. Padam Chand Gupta, none of the Directors of your Company is in any way concerned or interested in the resolution.

ITEM NO.7:

The Members in the Extra-Ordinary General Meeting of the Company held on September 26, 2011 vide Special Resolution at Item No.1, approved **PC Jeweller Limited Employee Stock Option Plan 2011 ("ESOP 2011")** for grant of a maximum of 26,79,330 (Twenty Six Lakhs Seventy Nine Thousand Three Hundred and Thirty) stock options to the eligible employees of the Company.

The ESOP 2011 was formulated and approved prior to the Company's Initial Public Offering (IPO) and at the time when the equity shares of the Company were not listed on the Stock Exchanges i.e. BSE Limited & National Stock Exchange of India Limited.

In terms of Clause 22.2A of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended (**"SEBI Guidelines"**) no listed company shall make any fresh grant of options under any ESOS framed prior to its IPO and prior to the listing of its equity shares (hereinafter in this clause referred to as 'pre-IPO scheme') unless:

(i) such pre-IPO scheme is in conformity with these guidelines; and,

(ii) such pre-IPO scheme is ratified by its shareholders in general meeting subsequent to the IPO.

Provided that the ratification under item (ii) may be done any time prior to grant of new options under such pre-IPO scheme.

The ESOP 2011 has been prepared in conformity with the SEBI Guidelines. As the Company had formulated and approved the ESOP 2011 prior to its IPO and prior to the listing of its equity shares, the same is required to be ratified by the Members of the Company to enable the Company to grant fresh options under the said plan. The approval of Members is therefore sought by way of Special Resolution for ratification of the ESOP 2011.

The salient features of the ESOP 2011 are as follows:

TOTAL NUMBER OF OPTIONS TO BE GRANTED

The total number of options that will be available for grant to the eligible employees of the Company under the ESOP 2011 will not exceed 26,79,330 (Twenty Six Lakhs Seventy Nine Thousand Three Hundred and Thirty). Each option when exercised would be converted into one fully paid-up equity share having a face value of ₹10 (Rupees Ten only). Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise would be available for being re-granted at a future date.

The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("**SEBI Guidelines**") require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division or such other event, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the Company to the option grantees, for making such fair and reasonable adjustment, the ceiling of 26,79,330 (Twenty Six Lakhs Seventy Nine Thousand Three Hundred and Thirty) shares of the Company as stated above of the paid-up equity share capital of the Company from time to time shall be deemed to have increased to the extent of such additional equity shares issued.

IDENTIFICATION OF CLASSES OF EMPLOYEES ENTITLED FOR PARTICIPATION

All permanent employees of the Company or of a subsidiary, in India or out of India, or of a holding company and directors of the Company or of a subsidiary or of a holding company as may be decided by the Remuneration & Compensation Committee, from time to time, would be entitled to participate in ESOP 2011. Employees may be granted Stock Options based on performance and such other criteria as the Remuneration & Compensation Committee may in its absolute discretion deem fit. The options granted to an employee shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any manner.

An employee who is a Promoter (as defined in the SEBI Guidelines) or belongs to the Promoter Group (as defined in the SEBI Guidelines) or a director, who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, shall not be eligible to participate in the ESOP 2011.

REQUIREMENTS OF VESTING AND PERIOD OF VESTING

The Options granted shall vest so long as the employee continues to be in the employment of the Company as the case may be. Vesting of the options shall take place over a maximum period of 4 (four) years with a minimum vesting period of 1 (one) year from the date of grant.

EXERCISE PRICE

The options will be issued at a predetermined exercise price. The Remuneration & Compensation Committee shall determine the fair market value in line with SEBI Guidelines and any other applicable guidelines.

EXERCISE PERIOD AND THE PROCESS OF EXERCISE

The exercise period shall commence from the date of vesting of Options. The exercise period shall be decided by the Remuneration & Compensation Committee subject to a maximum period of 8 (eight) years from the date of grant of options.

The options shall be exercisable by the employees by a written application to the Company to exercise the options in such manner and on execution of such documents, as may be prescribed by the Compensation Committee at its sole discretion.

APPRAISAL PROCESS FOR DETERMINING THE ELIGIBILITY OF THE EMPLOYEES

The appraisal process for determining the eligibility of the employee will be specified by the Remuneration & Compensation Committee and may be based on criteria such as seniority of employee, length of service, past performance record, merit of the employee, future potential contribution by the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion.

MAXIMUM NUMBER OF OPTIONS TO BE ISSUED PER EMPLOYEE AND IN AGGREGATE

The maximum number of options that may be granted to an employee under the ESOP 2011 shall not be more than 0.2% of the issued capital of the Company on the Grant Date.

The total number of options that may be granted to eligible employees under ESOP 2011 shall not cumulatively exceed 26,79,330 (Twenty Six Lakhs Seventy Nine Thousand Three Hundred and Thirty).

DISCLOSURE AND ACCOUNTING POLICIES

The Company shall comply with the accounting policies prescribed under Clause 13.1 of the SEBI Guidelines and all other disclosure requirements and accounting policies prescribed under the SEBI Guidelines and other applicable laws and regulations.

METHOD OF OPTION VALUATION

To calculate the employee compensation cost, the Company shall use the fair value method, in accordance with the SEBI Guidelines, for valuation of the options granted. In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on the earnings per share of the Company shall be disclosed in the Director's Report.

TERMINAL CONDITIONS

The Remuneration & Compensation Committee shall determine the treatment of unvested and vested options in the event an employee leaves the employment of the Company, while ensuring compliance with SEBI Guidelines.

OTHER TERMS AND CONDITIONS

The other terms and conditions will be as per ESOP 2011 and subject to modification/variation by the Board and/or the Remuneration & Compensation Committee from time to time.

None of the directors of the Company is in any way concerned or interested in the resolution, except to the extent of the shares that may be offered to them under ESOP 2011.

A copy of the extract of the Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 and resolution passed by the Members at the Extra-Ordinary General Meeting held on September 26, 2011 and a copy of ESOP 2011, will be available for inspection by the Members on all working days between 11:00 a.m. to 4:00 p.m., up to September 17, 2013, at the Registered/Corporate Office of the Company.

ITEM NO.8:

As mentioned in the Prospectus dated December 16, 2012, under the title Objects of the Issue, your Company intended to establish 20 new retail showrooms in 20 cities in different parts of the country by fiscal 2014. Out of these 4 showrooms have already been opened and are being operated by the Company.

The Company is in the process of identifying and finalising the specific locations for the proposed showrooms as per the Objects of the Issue. However, the Company's strategy to enter a particular market or open a showroom at a location is dependent on various factors including competition, customer preferences in the area and obtaining suitable premises on a lease or leave and license basis at reasonable rentals for such showrooms. The Board would endeavour to adhere to the expected period of establishment for remaining showrooms by fiscal 2014, but in view of the abovesaid factors, it may be possible that the expected period of establishment may not be adhered to. Hence, the Board is of the view that the expected period of establishment for remaining showrooms be extended by 6 months i.e. up to September 30, 2014.

Pursuant to the provisions of section 61 of the Companies Act, 1956, the Company shall not vary the terms referred to in the Prospectus except subject to the approval of or except on authority given by the Company in general meeting. Accordingly, approval of the Members is sought to confer authority to the Board for varying the terms of the Prospectus i.e. for extension of expected period of establishment for remaining showrooms by 6 months i.e. up to September 30, 2014.

The Board of Directors recommends the resolution for your approval by way of Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the resolution.

By order of the Board,
For **PC Jeweller Limited,**

Sd/-
(VIJAY PANWAR)
Company Secretary

Place: New Delhi
Date : July 25, 2013

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Dr. Manohar Lal Singla
Date of Birth	January 20, 1958
Qualifications	B.E. (Mechanical Engineering) from Punjab University, Chandigarh M.B.A. from University of Delhi, Delhi Ph.D. (Management) from University of Delhi, Delhi
Experience in specific functional areas	Over 30 years of professional experience both in Academics and Industry in the areas of Information Systems, e-Governance, Business Process Re-engineering, Strategic IT Management and Decision Support Systems.
Shareholding in the Company	Nil
Directorships held in other Indian public limited companies as on March 31, 2013	None
Membership/Chairmanship of committees in other Indian public limited companies as on March 31, 2013	None

MEMBERS MAY PLEASE NOTE THAT NO GIFTS/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars (vide circular nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively), and allowing paperless compliances by Companies through electronic mode. Recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail ID's for the said purpose. Therefore, the Company is sending the Annual report through e-mail to those Members who have registered e-mail ID's. To further support this initiative Members, whose e-mail ID's have not been registered so far, are requested to register their e-mail ID's with their respective Depository Participants, in respect of holdings in demat form and with the Company's RTA, in respect of shares held in physical form.

DIRECTORS' REPORT

Dear Shareholders,

Your directors have pleasure in presenting their 8th Annual Report together with the audited financial statements for the financial year ended March 31, 2013.

BUSINESS OVERVIEW

The Company's operations include manufacture, retail and export of jewellery and it offers a wide range of products including gold jewellery, diamond jewellery and other jewellery including silver articles, with a focus on diamond jewellery and jewellery for weddings.

FINANCIAL HIGHLIGHTS

A brief overview on the standalone financial statements for the financial year ended March 31, 2013, are as follows:

(₹ in crores)

Particulars	2012-13	2011-12
Revenue from Operations	4018.42	3041.93
Changes in inventories of finished goods and W.I.P.	574.44	613.73
Other Income	20.21	17.56
Total Revenue	**4613.07**	**3673.22**
Operating Expenses	4111.08	3324.42
EBITDA	501.99	348.80
Depreciation & Amortisation	9.99	6.59
EBIT	492.00	342.21
Interest & Finance Cost	127.47	77.21
EBT	364.53	265.00
Tax Expense	73.87	33.71
Net Profit after Tax	**290.66**	**231.29**
Profit brought forward from previous year	421.82	257.34
Utilised for issue of Bonus Shares	0.00	66.81
Profit available for appropriation	**712.48**	**421.82**
Appropriations:		
Proposed Equity Dividend	17.91	0.00
Dividend Distribution Tax	3.04	0.00
Net Surplus in the Statement of Profit & Loss	**691.53**	**421.82**

PERFORMANCE REVIEW

During the year under review, the revenue from operations of the Company increased to ₹4018.42 crores as compared to ₹3041.93 crores in the previous year, representing a growth of more than 32%. The net profit after tax has also gone up by more than 25% from ₹231.29 crores to ₹290.66 crores, as compared to the previous year.

Your Company is present in both domestic as well as export markets. During the year under review the Company made an export sale amounting to ₹1030.77 crores. The share of export turnover in the revenue from operations has declined to approximately 26% as on March 31, 2013 as against 33% as on March 31, 2012.

Your Company continued to move ahead to achieve its growth objectives and in the process opened six more new showrooms during the year. Thus, as of March 31, 2013, your Company had 30 showrooms under the "PC Jeweller" brand, located across 23 cities in north and central India.

RECENT DEVELOPMENTS

Your Company has opened 6 more new showrooms after the closure of year under review. Hence, as on the date of this Report the Company operates 36 showrooms under the 'PC Jeweller' brand located in 28 cities across 9 States and 1 Union Territory throughout India.

A manufacturing unit of the Company located at G – 54, Selaqui, Dehradun (Uttarakhand), having a covered area of 2300 sq.ft. has been shut down w.e.f. May 31, 2013.

FUTURE PROSPECTS

Your Company plans to further expand its showroom network across India, including in southern and western parts of India. The Company plans to have total 50 showrooms under the "PC Jeweller" brand, by the end of March, 2014.

INITIAL PUBLIC OFFERING

During the year under review your Company had successfully carried out its Initial Public Offering (IPO) of 4,51,33,500 equity shares of face value of ₹10 each, which was opened for public subscription on December 10, 2012 & closed on December 12, 2012. The price band for the issue was ₹125 to ₹135.

The IPO got overwhelming response from the investors and was over-subscribed to the extent of 6.01 times, before technical rejections (including the Anchor Investor portion). The Issue price was finalized at ₹135 (discount of ₹5 to the Issue Price offered to Retail Individual Bidders and Eligible Employees) per equity share.

The Company's equity shares got listed on BSE Limited (the Designated Stock Exchange) and National Stock Exchange of India Limited on December 27, 2012.

SHARE CAPITAL

During the year under review, the authorised share capital of the Company remained unchanged at ₹2,00,00,00,000.

However, after successful completion of the IPO, the paid-up share capital of the Company increased from ₹1,33,96,65,000 to ₹1,79,10,00,000.

DIRECTORS

During the year no changes have taken place amongst the directors.

Dr. Manohar Lal Singla, director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. A brief resume of Dr. Manohar Lal Singla forms part of the notice convening the Annual General Meeting.

DIVIDEND

Your directors are pleased to recommend maiden dividend of ₹1 (Rupee One Only) per Equity Share of ₹10 each (i.e. @10%) for the year ended March 31, 2013, subject to approval of the Members at the ensuing Annual General Meeting. The total outgo for the current year amounts to ₹20,95,38,045 (Rupees Twenty Crore Ninety Five Lacs Thirty Eight Thousand Forty Five only), including dividend distribution tax of ₹3,04,38,045 (Rupees Three Crore Four Lac Thirty Eight Thousand Forty Five only).

SUBSIDIARY COMPANIES

As on March 31, 2013, your Company has one non-material Indian subsidiary company namely PC Universal Private Limited, incorporated on February 28, 2013, as wholly owned subsidiary of the Company.

During the year under review your Company disposed off 100% shareholding of its erstwhile non-material Indian subsidiary company, Shivani Sarees Private Limited on April 14, 2012.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiary company(ies), prepared in accordance with Accounting Standards AS-21 "Consolidated Financial Statements" prescribed by the Institute of Chartered Accountants of India, form part of the Annual Report and Accounts.

Pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors have consented for not attaching the balance sheet, statement of profit & loss and other documents as set out in section 212 of the Companies Act, 1956 in respect of its subsidiary company(ies) for the year ended March 31, 2013. However, the requisite information in aggregate for subsidiary company(ies) has been disclosed in the consolidated financial statements of the Company.

The annual accounts of the subsidiary company(ies), along with related information are available for inspection at the Company's Registered/Corporate Office. Copies of the annual accounts of the subsidiary company(ies) will also be made available to the Company's investors upon request.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, in respect of employees of the Company, is provided in Annexure-1, forming part of this report.

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

Form A pertaining to Conservation of Energy and Form B pertaining to Technology Absorption, are not applicable to your Company.

Foreign Exchange Earnings & Outgo during the year are as under:

Earnings	:	₹1031.15 crore
Outgo	:	₹1.46 crore

FIXED DEPOSITS

Your Company has neither accepted nor invited any fixed deposits during the year.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report as stipulated under clause 49 of the Listing Agreement with Stock Exchanges forms part of the Annual Report.

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with Stock Exchanges forms part of the Annual Report. The Certificate from the Practicing Company Secretary confirming the compliance of Corporate Governance is attached as Annexure-2 and forms part of this report.

AUDITORS

The Joint Auditors M/s Walker, Chandiok & Co., Chartered Accountants and M/s Sharad Jain Associates, Chartered Accountants, are retiring at the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further clarification under section 217(3) of the Companies Act, 1956.

EMPLOYEES STOCK OPTION PLAN

Your Company vide special resolution passed in its Extra-Ordinary General Meeting dated September 26, 2011, approved 'PC Jeweller Limited Employee Stock Option Plan 2011 (ESOP 2011)', for grant of a maximum of 26,79,330 options to the eligible employees of the Company.

However, your Company has not granted any options till date.

UNCLAIMED REFUND AMOUNT (IPO)

As on March 31, 2013 your Company has ₹11,97,445 lying as unclaimed in the refund account with the State Bank of India and ₹25,200 in escrow account with the IndusInd Bank.

The Company/Registrar & Transfer Agent has been taking necessary steps to make refund to the respective shareholders/applicants of the IPO, whose amounts are lying as unclaimed/unpaid in the refund/escrow account.

AWARDS

During the year your Company was awarded "Niryat Shree Silver Trophy" in the Gems & Jewellery non-MSME category, by the Federation of Indian Export Organisations, set up by the Ministry of Commerce and Industry, Government of India, for the year 2009-2010.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors assure you that the financial statements for the year under review conform in their entirety to the requirement of the Companies Act, 1956.

Pursuant to section 217(2AA) of the Companies Act, 1956, your directors confirm that: -

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the applicable accounting standards;
- such accounting policies have been selected and applied them consistently and such judgments and estimates have been made as 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;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your directors would like to express their sincere thanks to all valued customers, vendors, Government Departments/ Agencies and other business associates for their support and confidence in the Company. The directors also recognise, commend and thank all the employees for their dedication and commitment. The directors are also grateful to the Company's shareholders, promoters and bankers for their continued support.

For and on behalf of the Board

Sd/-

(PADAM CHAND GUPTA)
Chairman

Date: July 25, 2013
Place: New Delhi

Annexure-1

Statement of particulars of employees pursuant to section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975

A) Employed throughout the year and in receipt of remuneration aggregating not less than ₹60 lacs per annum

Name	:	Mr. Balram Garg
Designation	:	Managing Director
Nature of duties	:	General Management
Qualifications	:	B.Com.
Age (Years)	:	43
Date of commencement of employment	:	April 16, 2005
Nature of employment	:	The Board of Directors in its meeting held on June 3, 2011, re-appointed Mr. Balram Garg as the Managing Director of the Company for a period of 5 years with effect from July 1, 2011, which was ratified by the shareholders in their meeting held on March 15, 2012.
Experience (Years)	:	24
Remuneration (`)	:	6,00,00,000
Previous employment	:	N.A.
Equity Shares held (%)	:	36.85

B) Employed for part of the year and in receipt of remuneration aggregating not less than ₹5 lacs or more per month

None

For and on behalf of the Board

Sd/-

(PADAM CHAND GUPTA)

Chairman

Date: July 25, 2013

Place: New Delhi

Annexure-2

Corporate Governance Compliance Certificate

To,
The Members of PC Jeweller Limited,
24/2708, Bank Street,
Karol Bagh, New Delhi - 110005

We have examined the compliance of conditions of Corporate Governance by **PC Jeweller Limited,** for the period December 27, 2012 (i.e. the date from which the Company is required to comply with the terms of the Listing Agreements) to March 31, 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R S Sharma & Associates**,

Sd/-
(**RANDHIR SINGH SHARMA**)
Proprietor
CP No.3872

Date: July 24, 2013
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENTS

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

(I) INDUSTRY STRUCTURE AND DEVELOPMENTS

Gems and Jewellery is an important emerging sector in the Indian Economy. Ranked among the fastest growing sectors, it is also a leading sector for foreign exchange generation. (Source: www.indianbusiness.nic.in)

According to a recent study, India and China are now emerging as one of the leaders in the global jewellery industry in terms of consumption, besides production and trade. The countries jointly would account for over 30 percent of global diamond market in 2015. India possesses world's most competitive gems and jewellery market due to its low cost of production, highly skilled, low-cost and best artisan force for designing and crafting jewellery, along with strong government support in the form of incentives and establishment of special economic zones (SEZs). (Source: www.ibef.org)

The Indian gems & jewellery industry can be classified into various segments: cut & polished diamonds, gem stones, gold & diamond jewellery, pearl and synthetic stones and others. However, the two major industry segments in India are gold and diamond jewellery. India also dominates the diamond processing trade with 11 out of 12 diamonds being cut & polished in India. The industry accounted for 14.1% of India's export revenue in fiscal 2012 and provides employment to approximately 3.5 million people directly and indirectly. The Indian gems and jewellery export industry, has the potential to grow from the US$42.83 billion in fiscal 2012 to US$47 - 48 billion by fiscal 2014 while the domestic gems and jewellery industry has the potential to grow from an estimated US$45.3 billion in fiscal 2012 to US$60 billion by fiscal 2014 at a CAGR of 14% - 15%. (Source: CARE Report)

(II) PRODUCT WISE PERFORMANCE

The Company is a single product Company, viz jewellery and its operations include manufacture, retail and export of jewellery. However, the jewellery has three subsets consisting of gold, diamond & others. Gold jewellery continues to be the dominant component with a share of 68.57% in the domestic sales of the Company as on March 31, 2013. The diamond jewellery share in the domestic sales stands at 30.85% as on March 31, 2013. The Company is however, taking proactive steps to improve the share of diamond jewellery in the sales mix as it is a higher margin item. Diamond Jewellery contribution to domestic sales grew from 17.90% in financial year 2010 to 30.85% in financial year 2013.

The Company operates in different geographical areas i.e. domestic sales and export sales. Company exports gold and diamond jewellery on a wholesale basis to international distributors in Dubai and Hong Kong. As on March 31, 2013, the share of revenues from domestic sales and export sales is 74.35% & 25.65% respectively and the share of gold and diamond jewellery in the export sales is 74.52% & 25.47% respectively.

(III) OPPORTUNITIES AND THREATS

The industry can take advantages of the following opportunities:

(a) Organized penetration of approximatly 5%, expected to reach 10% by financial year 2016.

(b) Favourable demographics driving consumption- increasing young and mid/high-income population.

(c) Growth opportunity in Tier II & Tier III cities due to higher disposable incomes and low set up costs.

(d) Increasing demand for diamond jewellery, which is a high margin product.

(e) Growing consciousness of branded jewellery amongst consumers and willingness to pay a premium for quality and variety.

Some of the key challenges facing the jewellery retail industry, are as follows:

(a) Adapting to changing consumer preferences including regional preferences.

(b) Any adverse change in the specific conditions of the Ministry of Commerce and Industry, Government of India, and the applicable RBI regulations regarding procurement of gold.

(c) Volatility in the market price of gold and diamonds.

(d) Sale of synthetic diamonds and artificial jewellery.

(e) Limited availability of high end real estate and trained retail staff.

(IV) OUTLOOK

Traditionally, the Indian gems & jewellery industry was highly fragmented with consumers typically buying from their family jewellers. However, in the last decade the industry has undergone a structural change and more gems and jewellery players are moving up the value chain towards an increasing focus on branded jewellery. Jewellery retailing is not only a high margin and lucrative but is also largely untapped in India. The market is hugely underpenetrated and there is ample scope for all new entrants. Given rising media and western influences people are more inclined towards branded jewellery and are willing to pay a premium for the same. In the past few years, many domestic companies have opened gems and jewellery speciality stores in India to meet the changing taste of local populace and have also opened stores abroad to serve Indian diaspora in the countries where demand for traditional Indian crafted jewellery is high.

CRISIL believes that Tier-II and Tier-III towns will drive growth for the branded gold jewellery retailers over the medium term. Around two-thirds of the new outlets that these retailers set up over the medium term will be in such small towns. The demand for gold jewellery in these centres is strong and growing, buoyed by increasing affluence and preference for branded jewellery.

Currently, the domestic gems & jewellery market is fragmented across the value chain. There are approximately 4,50,000 unorganized players across the gems & jewellery sector who operate on small margins. The organized market accounts for approximately 5% to 6% of the jewellery retail markets, if the national level players in the organized market are considered whereas the organized market accounts for approximately 16% to 18% of the jewellery retail market, in the event the regional players are also included. It is expected that the organized jewellery retail market in India is expected to grow more than 30% in the next couple of years given the changing lifestyle and urbanization. (Source: CARE Report)

(V) RISK AND CONCERNS

It is important to correctly assess the risk area-wise and to take steps to mitigate the risk before it becomes a potential threat. General risk areas are statutory compliances, economy, financials, government regulations and policies, market related, operational, products and technology etc.

The Company has put into place a Risk Management Policy which has tried to identify the various types of risks and their categorisation. The objectives of the Policy includes to define a framework for identification, evaluation and mitigation of risk in the decision making process and to encourage proactive rather than reactive management. From the perspective of the Company, the risks are of the following nature:

(i) **Strategic Risk**: Those risks associated with operating in a particular industry and includes risks arising from merger and acquisition activity, demand changes or changes in customers, industry changes and R & D. These risks pose threats or opportunities which materially affect the ability of the organisation to survive.

(ii) **Compliance Risk:** Those associated with the need to comply with laws and regulations. They also apply to the need to act in a manner which stakeholders and customers expect.

(iii) **Operational Risk**: Those associated with the Company's operational and administrative procedures, which inter-alia include accounting controls, regulations, recruitment, IT systems, board composition, contractual risks and exposures, organisational risks and exposures.

(iv) **Financial Risk**: Those associated with financial structure of the Company, its transactions and the financial system in place.

(v) **Environmental Risk**: Those associated with release of polluting materials, environmental performance/ compliance limits, business opportunities and breach of regulations.

(VI) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control systems play a crucial role in the health of a Company in every industry. An effective system of internal control is a backbone, necessary for building, maintaining and improving shareholders confidence and value as well as helps to enhance the overall quality of the business and the enterprise.

The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods. The Company also has internal control system for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations.

The Company has also formed an Audit Committee. Audit Committee reviews with the management adequacy and effectiveness of the internal control system and internal audit functions. Besides the above, Audit Committee is actively engaged in overseeing financial disclosures.

(VII) FINANCIAL PERFORMANCE

The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and / or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.

The salient features of the financial performance of the Company are as under:

(₹ in crores)

Particulars	2012-13	2011-12
Revenue from Operations	4018.42	3041.93
Total Revenue	4613.07	3673.22
Total Expenses	4248.54	3408.22
Profit before Tax	364.53	265.00
Tax Expense	73.87	33.71
Net Profit after Tax	**290.66**	**231.29**

As compared to previous year, the revenue from operations of the Company increased by more than 32% and net profit after tax of the Company has also gone up by more than 25%. The earning per share of the Company also increased from ₹17.27 as on March 31, 2012 to ₹19.86 as on March 31, 2013.

(VIII) HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels.

With the changing and turbulent business scenario, the Company's basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels, motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities.

In order to keep the employees skill, knowledge and business facilities updated, ongoing in house and external training is provided to the employees at all levels. The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year. As on March 31, 2013, the Company had 1615 full time employees.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is about promoting corporate fairness, transparency and accountability. The Company believes in the principle of corporate governance and endeavours its best to maintain transparency and professionalism with fairness and integrity to enhance the interest of all its stakeholders. The Company recognises the importance of corporate governance and acknowledges its responsibilities towards all its shareholders, employees, customers and regulatory authorities. The Company believes that a good corporate governance process aims to achieve a balance between the shareholders' interest and the corporate goals of the Company.

2. BOARD OF DIRECTORS:

i) COMPOSITION OF THE BOARD

The Board of Directors of the Company has an optimum combination of executive and non-executive directors with not less than fifty percent of the Board of Directors comprising of non-executive directors. As on March 31, 2013, the Company comprised of four directors, of whom one is Managing Director, one is Non-Executive Director and two are Independent Non-Executive Directors, i.e. fifty percent of the Board comprises of Independent Directors. The Independent Directors are professionals with high credentials.

The Composition of the Board of Directors, along with number of their outside directorships and Memberships/Chairmanships of Board Committees, in Indian public limited companies are as follows:

Name of Director	Category	No. of outside directorship	No. of outside Committee Membership / Chairmanship*	
			Member	Chairman
Mr. Padam Chand Gupta	Promoter Non-Executive Director	Nil	Nil	Nil
Mr. Balram Garg	Promoter Executive Director	Nil	Nil	Nil
Mr. Krishan Kumar Khurana	Independent Non-Executive Director	Nil	Nil	Nil
Dr. Manohar Lal Singla	Independent Non-Executive Director	Nil	Nil	Nil

*Membership/Chairmanship of only Audit Committee and Shareholders'/Investors' Grievance Committee are considered.

ii) BOARD MEETINGS

During the year fourteen (14) board meetings were held on April 14, 2012; May 11, 2012; June 11, 2012; July 25, 2012; August 28, 2012; October 15, 2012; November 3, 2012; November 26, 2012; December 2, 2012; December 7, 2012; December 14, 2012; December 16, 2012; December 22, 2012 and February 7, 2013.

The information as required under Annexure I A to Clause 49 is being made available to the Board.

The details of attendance of directors at the board meetings held during the year and at the last Annual General Meeting are as under:

Name of Director	Designation	No. of Board meetings attended	Attendance at last AGM held on September 25, 2012
Mr. Padam Chand Gupta	Chairman	14	Yes
Mr. Balram Garg	Managing Director	14	Yes
Mr. Krishan Kumar Khurana	Director	12	No
Dr. Manohar Lal Singla	Director	10	No

iii) DETAILS OF REMUNERATION OF DIRECTORS

The Non-Executive and Independent Directors are paid sitting fee @ ₹5000 for attending each meeting of the Board of Directors and @ ₹2000 for attending each meeting of any of the Committees thereof.

The details of remuneration paid to the directors for the year 2012-13, are as follows:

Name of Director	Gross Salary (₹)	Sitting Fee (₹)	Commission (₹)	Total (₹)
Mr. Padam Chand Gupta	Nil	98,000*	Nil	98,000*
Mr. Balram Garg	6,00,00,000	Nil	Nil	6,00,00,000
Mr. Krishan Kumar Khurana	Nil	78,000	Nil	78,000
Dr. Manohar Lal Singla	Nil	64,000	Nil	64,000

* Also includes sitting fee received for two committee meetings held during financial year 2011-12. Sitting fee for one committee meeting held during financial year 2012-13, was not paid upto March 31, 2013.

Apart from receiving directors' remuneration, the Non-Executive Independent Directors of the Company do not have any material pecuniary relationship or transactions with the Company and its promoters etc.

iv) SHAREHOLDINGS OF DIRECTORS

As on March 31, 2013, the shareholdings of the directors of the Company is as follows:

Name of Director	Number of Equity Shares
Mr. Padam Chand Gupta	50371800
Mr. Balram Garg	66002700
Mr. Krishan Kumar Khurana	Nil
Dr. Manohar Lal Singla	Nil

v) RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the directors are related to each other except the promoter directors i.e. Mr. Padam Chand Gupta and Mr. Balram Garg, being brothers.

vi) CODE OF CONDUCT

As per requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors has laid down a code of conduct for Directors and Senior Management Personnel. The code of conduct is posted on the Company's website www.pcjeweller.com. All Directors and Senior Management Personnel affirmed compliance with the code and the declaration to that effect given by Mr. Balram Garg, Managing Director, is attached to this report.

3. COMMITTEES OF THE BOARD OF DIRECTORS:

i) AUDIT COMMITTEE

The Audit Committee was constituted by the Board of Directors at its meeting held on September 20, 2011.

BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Audit Committee has following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall be responsible for the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-clause (2AA) of section 217 of the Companies Act, 1956, as amended;
  - (b) Changes, if any, in accounting policies and practices along with reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; and
  - (g) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussing with the internal auditors any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Equity Listing Agreements as and when amended from time to time.

The Audit Committee shall mandatorily review the following:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

COMPOSITION OF THE COMMITTEE:

1. Dr. Manohar Lal Singla, Non-Executive Independent Director (Chairman)
2. Mr. Krishan Kumar Khurana, Non-Executive Independent Director (Member)
3. Mr. Balram Garg, Managing Director (Member)

The Company Secretary is the Secretary to the committee.

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year six (6) Audit Committee meetings were held on May 11, 2012; June 11, 2012; August 28, 2012; October 15, 2012; November 3, 2012 and February 7, 2013. The attendance of the members at the Audit Committee meetings was as under:

Name of Members	No. of meetings held	No. of meetings attended
Dr. Manohar Lal Singla	6	6
Mr. Balram Garg	6	6
Mr. Krishan Kumar Khurana	6	6

ii) REMUNERATION & COMPENSATION COMMITTEE

The Remuneration & Compensation Committee was constituted by the Board of Directors at its meeting held on September 20, 2011.

BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Reviewing, assessing and recommending the appointment of Executive/Non-Executive Directors and senior employees;
- Reviewing the remuneration packages of Executive/Non-Executive Directors and senior employees;
- Recommending payment of compensation in accordance with the provisions of the Companies Act, 1956, as amended;
- Considering and recommending grant of employees stock option, if any, and administration and superintendence of the same; and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

COMPOSITION OF THE COMMITTEE:

1. Mr. Krishan Kumar Khurana, Non-Executive Independent Director (Chairman)
2. Mr. Padam Chand Gupta, Non-Executive Director (Member)
3. Dr. Manohar Lal Singla, Non-Executive Independent Director (Member)

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year one (1) Remuneration & Compensation Committee meeting was held on February 7, 2013**.** The attendance of the members at the meeting was as under:

Name of Members	No. of meetings held	No. of meetings attended
Mr. Krishan Kumar Khurana	1	1
Mr. Padam Chand Gupta	1	1
Dr. Manohar Lal Singla	1	1

iii) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee was constituted by the Board of Directors at its meeting held on September 20, 2011.

BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Shareholders'/Investors' Grievance Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Redressal of shareholders' and investors' complaints, including in respect of:
  - Non-receipt of declared dividends, balance sheets of the Company, etc.;
  - Allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;
  - Issue of duplicate certificates and new certificates on split / consolidation / renewal, etc.; and
  - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

COMPOSITION OF THE COMMITTEE:

1. Mr. Padam Chand Gupta, Non-Executive Director (Chairman);
2. Mr. Balram Garg, Managing Director (Member); and
3. Mr. Krishan Kumar Khurana, Non-Executive Independent Director (Member)

Mr. Vijay Panwar, Company Secretary is the Compliance Officer.

MEETINGS AND ATTENDANCE DURING THE YEAR:

During the year five (5) Shareholders'/Investors' Grievance Committee meetings were held on June 11, 2012; August 1, 2012; November 3, 2012; January 30, 2013 and March 25, 2013. The attendance of the members at the meetings was as under:

Name of Members	No. of meetings held	No. of meetings attended
Mr. Padam Chand Gupta	5	5
Mr. Balram Garg	5	5
Mr. Krishan Kumar Khurana	5	2

DETAILS OF SHAREHOLDERS/INVESTORS COMPLAINTS RECEIVED, RESOLVED AND PENDING DURING 2012-13:

Complaints pending at the beginning	Number of complaints received during 2012-13	Complaints resolved during the year 2012-13	Complaints pending at the end of the year i.e. March 31, 2013
Nil	1331	1331	Nil

iv) SELECTION COMMITTEE

The Selection Committee was constituted by the Board of Directors at its meeting held on September 20, 2011.

BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Selection Committee shall be responsible for the following:

- Assessing and recommending the appointment of Relative of Director for holding office or place of profit in the company with a salary exceeding ₹2,50,000 per month;
- Carrying out any other functions as may be assigned by the Board of Directors.

COMPOSITION OF THE COMMITTEE:

1. Mr. Krishan Kumar Khurana : Non-Executive Independent Director (Chairman)
2. Mr. Balram Garg : Managing Director (Member)
3. Dr. Manohar Lal Singla : Non-Executive Independent Director (Member)

An outside expert will also be part of the Committee.

During the year no Selection Committee meeting was held.

v) GENERAL PURPOSES COMMITTEE

The General Purposes Committee was constituted by the Board of Directors at its meeting held on March 6, 2012. Certain powers of the Board of Directors which are of recurring nature and related to routine matters have been delegated to the General Purposes Committee.

COMPOSITION OF THE GENERAL PURPOSES COMMITTEE:

1. Mr. Padam Chand Gupta : Non-Exective Director (Chairman)
2. Mr. Balram Garg : Managing Director (Member)

MEETINGS & ATTENDANCE DURING THE YEAR:

During the year seven (7) General Purposes Committee meetings were held on May 17, 2012; June 28, 2012; August 1, 2012; September 22, 2012; December 2, 2012; January 9, 2013 and February 26, 2013. The attendance of the members at the meetings was as under:

Name of Members	No. of meetings held	No. of meetings attended
Mr. Padam Chand Gupta	7	7
Mr. Balram Garg	7	7

4. INFORMATION ON GENERAL BODY MEETINGS:

i) DETAILS OF DATE, TIME AND VENUE OF LAST THREE ANNUAL GENERAL MEETINGS AND SPECIAL RESOLUTIONS PASSED THEREIN:

Year	Date & Time	Venue	Special Resolution(s) passed
2011-12	September 25, 2012 11:00 AM	24/2708, Bank Street, Karol Bagh, New Delhi-110005	1) Approving the creation, offer, issue and allotment of up to 4,51,33,500 fresh equity shares of the Company of face value of ₹10 each in the course of IPO.
2010-11	September 16, 2011 11:00 AM	24/2708, Bank Street, Karol Bagh, New Delhi-110005	1) Approving the Issue of Bonus Shares. 2) Approving the creation, offer, issue and allotment of up to 4,51,33,500 fresh equity shares of the Company of face value of ₹10 each in the course of IPO.
2009-10	September 22, 2010 11:00 AM	24/2708, Bank Street, Karol Bagh, New Delhi-110005	None

ii) DETAILS OF DATE, TIME AND VENUE OF EXTRA-ORDINARY GENERAL MEETINGS HELD DURING THE YEAR 2012-13 AND SPECIAL RESOLUTIONS PASSED THEREIN:

Year	Date & Time	Venue	Special Resolution(s) passed
2012-13	June 6, 2012 11:00 AM	24/2708, Bank Street, Karol Bagh, New Delhi-110005	1) Revision in remuneration of Mr. Nitin Gupta, President (Diamond Manufacturing) 2) Revision in remuneration of Mr. Sachin Gupta, President (Gold Manufacturing)

iii) PASSING OF SPECIAL RESOLUTION BY POSTAL BALLOT

No Special Resolution was passed by postal ballot during the year 2012-13.

5. SUBSIDIARY COMPANIES

As on March 31, 2013, the Company has one wholly owned non material non listed Indian subsidiary company, namely PC Universal Private Limited. The requirements of Clause 49 of the Listing Agreement with regard to subsidiary companies have been complied with, to the extent applicable.

6. DISCLOSURES

During the financial year ended on March 31, 2013, there were no materially significant related party transactions that may have a potential conflict with the interest of the Company at large. Details of related parties and transactions with them have been disclosed in the Notes forming part of financial statements.

No penalty or stricture was imposed on the Company by any stock exchange or any statutory authority or SEBI on any matter related to capital markets, for non-compliance by the Company.

The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and / or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.

The Company discloses to the Audit Committee, the uses/applications of proceeds/funds raised from its IPO, as part of quarterly review of its financial results.

7. DETAILS OF EQUITY SHARES IN PC JEWELLER LIMITED-UNCLAIMED SUSPENSE ACCOUNT

The disclosure as required under Clause 5A of the Listing Agreement is given below:

Sr. No.	Description	No. of shareholders	No. of shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the time of listing of shares at stock exchange(s)	8	720
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year	8	720
3	Number of shareholders to whom shares were transferred from suspense account during the year	6	540
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	2*	180*

The voting rights on these equity shares shall remain frozen till the rightful owner of such shares claims the shares.

* 180 Shares of 2 shareholders, who have approached for transfer of shares from suspense account during the year could not be transferred as they have closed their demat accounts. However, after end of the year, they have opened new demat accounts and shares were transferred to their respective accounts.

8. CEO/CFO CERTIFICATION

The CEO/CFO certificate in terms of Clause 49(V) of the Listing Agreement for the financial year ended March 31, 2013, is annexed hereto.

9. COMPLIANCE

The Company is complying with all the mandatory requirements of Clause 49 and quarterly compliance report in the prescribed format has been submitted to the concerned stock exchanges. A Certificate from the Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance, is annexed with the Directors' Report.

The Company has complied with the following non-mandatory requirements of Clause 49 of the Listing Agreement:

a) The aggregate tenure of none of the Independent Directors on the Board exceeds nine years.

b) The Company constituted a Remuneration & Compensation Committee, details of which have been given earlier in this report.

c) The statutory financial statements of the Company are unqualified.

10. MEANS OF COMMUNICATION

Financial results - The quarterly and annual financial results of the Company are published in leading newspapers one in English daily and one in daily newspaper published in the language of the region, where the registered office of the Company is situated.

Company's Website – Important shareholders' information such as financial results, shareholding pattern, corporate presentation and transcripts of conference calls are displayed on the website of the Company i.e. www.pcjeweller.com.

Designated E-mail Id – The Company has designated an e-mail Id viz. **investors@pcjewellers.com**, for redressal of investors grievances/complaints.

11. GENERAL SHAREHOLDER INFORMATION

i) ANNUAL GENERAL MEETING

Day & date : Wednesday, September 18, 2013
Time : 3:00 P.M.
Venue : Air Force Auditorium, Subroto Park, New Delhi - 110010

ii) FINANCIAL YEAR

1st April of each year to 31st March of next year

FINANCIAL CALENDAR FOR 2013-14 (TENTATIVE)

Results for the quarter ending June 30, 2013	:	On or before August 15, 2013
Results for the quarter/half year ending September 30, 2013	:	On or before November 15, 2013
Results for the quarter ending December 31, 2013	:	On or before February 15, 2014
Results for the quarter and year ending March 31, 2014	:	On or before May 30, 2014
Annual General Meeting for the year ending March 31, 2014	:	August / September, 2014

iii) DATE OF BOOK CLOSURE

September 11, 2013 to September 18, 2013 (both days inclusive)

iv) DIVIDEND PAYMENT DATE

The Board of Directors of the Company have recommended payment of dividend @ ₹1 per equity share of ₹10 each (i.e. @ 10%) for the financial year ended March 31, 2013, subject to the approval of the Members at the ensuing Annual General Meeting. The dividend, if approved, shall be paid within 30 days from the date of declaration.

v) LISTING ON STOCK EXCHANGES

The equity shares of the Company got listed on BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) on December 27, 2012. The Company's has already paid the listing fee for the financial year 2013-14 to both the exchanges.

vi) STOCK CODE

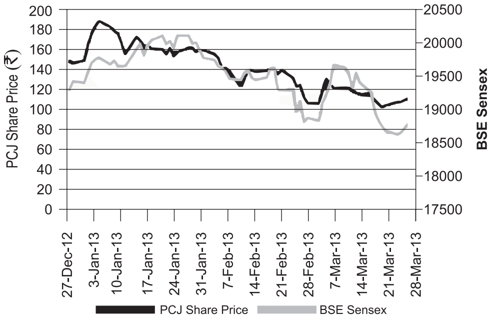
BSE Limited	:	534809
National Stock Exchange of India Limited	:	PCJEWELLER
ISIN	:	INE785M01013

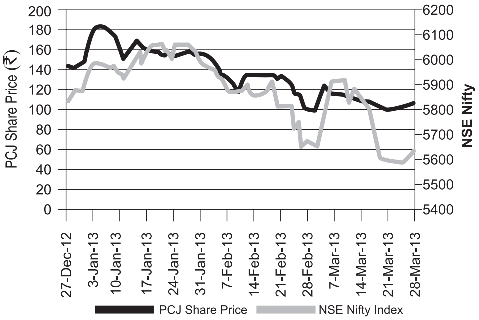
vii) MARKET PRICE DATA

The Company's equity shares are listed and traded on BSE and NSE w.e.f. December 27, 2012. The monthly high & low share prices in each month since listing, during the year, are as follows:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
December, 2012	154.75	135.50	154.70	137.00
January, 2013	194.90	150.60	194.90	150.55
February, 2013	165.35	111.75	165.35	114.50
March, 2013	134.50	102.55	134.50	102.80

viii) PERFORMANCE IN COMPARISON TO BROAD – BASED INDICES





ix) REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar, Madhapur,
Hyderabad 500 081, India
Tel: (+91 40) 4465 5000 Fax: (+91 40) 2343 1551
E-mail: einward.ris@karvy.com

x) SHARE TRANSFER SYSTEM

Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. Transfer of shares in physical form is processed within the time prescribed by the law in this behalf, provided the documents being valid and complete in all respects. All transfers are first processed by the Registrar and Transfer Agent, Karvy Computershare Private Limited and are submitted to the Company for approval thereafter.

xi) DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the Company as on March 31, 2013 is as under:

Nominal value of shareholding (₹)	Shareholders		Shares	
	Number	As a % of total	Number	As a % of total
Up to 5000	30661	94.70	2996055	1.67
5001- 10000	789	2.44	610132	0.34
10001- 20000	504	1.56	716812	0.40
20001- 30000	103	0.32	259897	0.14
30001- 40000	44	0.14	157212	0.09
40001- 50000	46	0.14	212426	0.12
50001- 100000	66	0.20	482060	0.27
100001 & Above	162	0.50	173665406	96.97
Total	**32375**	**100.00**	**179100000**	**100.00**

SHAREHOLDING PATTERN

The shareholding pattern of the Company as on March 31, 2013 is as under:

Category of Shareholders	Number of Shares	% of Shares
Promoter & Promoter Group	125404500	70.02
Foreign Institutional Investors/Non Resident Indians/Qualified Foreign Investor	24028396	13.42
Bodies Corporates	11885246	6.63
Resident Individuals/HUF	11240495	6.28
Mutual Funds/Indian Financial Institutions/Banks	6384101	3.56
Clearing Members	157262	0.09
Total	**179100000**	**100.00**

xii) DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the depositories in India i.e. NSDL & CDSL. A total number of 179,099,549 equity shares of the Company constituting almost 100% of the issued, subscribed and paid-up share capital of the Company were held in dematerialized form as on March 31, 2013.

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past. Hence, as on March 31, 2013 the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

xiv) PLANT LOCATIONS

1. 65, Noida Special Economic Zone, Noida (Uttar Pradesh)
2. 142A/3, Noida Special Economic Zone, Noida (Uttar Pradesh)
3. Sector-63, Noida (Uttar Pradesh)
4. F-50, Selaqui, Dehradun (Uttarakhand)

xv) ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE

PC Jeweller Limited
24/2708, Bank Street, Karol Bagh,
New Delhi-110005
Tel- (+91 11) 4710 4810
Fax- (+91 11) 2872 0811
Email : investors@pcjewellers.com
Website : www.pcjeweller.com

CORPORATE OFFICE

PC Jeweller Limited
C-54, Preet Vihar,
Delhi-110092
Tel- (+91 11) 4971 4971
Fax- (+91 11) 4971 4972

Declaration by the Managing Director under Clause 49(I)(D) of the Listing Agreement

In accordance with Clause 49(I)(D) of the Listing Agreement, I, do hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the 'Code of Conduct for Directors and Senior Management Personnel', for the financial year ended March 31, 2013.

For **PC Jeweller Limited**,

Sd/-

Date: May 20, 2013 (**BALRAM GARG**)
Place: New Delhi Managing Director

CEO/CFO Certification

To,

The Board of Directors,
PC Jeweller Limited.

Sub.: Certification to the Board pursuant to Clause 49(V) of the Listing Agreement

We, Balram Garg, Managing Director and Sanjeev Bhatia, President (Finance) of PC Jeweller Limited ('the Company'), hereby certify that in respect of the financial year ended on March 31, 2013:

(a) We have reviewed financial statements and the cash flow statement of the Company for the year and to the best of our knowledge and belief:

 (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

 (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that have been taken or proposed to be taken to rectify these deficiencies.

(d) We have indicated, wherever applicable, to the auditors and the Audit committee:

 (i) significant changes, if any, in internal control over financial reporting during the year;

 (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

 (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **PC Jeweller Limited**,

	Sd/-	Sd/-
Date: May 20, 2013	(**BALRAM GARG**)	(**SANJEEV BHATIA**)
Place: New Delhi	Managing Director	President (Finance)

Independent Auditors' report

To

The Members of PC Jeweller Limited (formerly known as PC Jeweller Private Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of PC Jeweller Limited (formerly known as PC Jeweller Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

   ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and

   iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the financial statements dealt with by this report are in agreement with the books of account;

   d. in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and

   e. on the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

for **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No. 001076N

Sd/-
per **B.P. Singh**
Partner
Membership No. 70116

Place: New Delhi
Date: May 20, 2013

for **Sharad Jain Associates**
Chartered Accountants
Firm Registration No. 015201N

Sd/-
Per **Sharad Jain**
Partner
Membership No. 83837

Place: New Delhi
Date: May 20, 2013

Annexure to the Independent Auditor's Report of even date to the members of PC Jeweller Limited (formerly known as PC Jeweller Private Limited), on the financial statements for the year ended March 31, 2013.

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.

(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.

(b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

Annexure to the Independent Auditor's Report of even date to the members of PC Jeweller Limited (formerly known as PC Jeweller Private Limited), on the financial statements for the year ended March 31, 2013.

(b) The dues outstanding in respect of sales tax, income-tax, custom duty, wealth tax, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	Value Added Tax	1,852,894	Nil	Financial Year 2007-08	Delhi VAT Tribunal

(x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(xi) The Company has no dues payable to a financial institution or debenture-holders during the year. Accordingly, the provisions of clause 4(xi) of the Order with respect to financial institution or debenture-holders are not applicable. The Company has not defaulted in repayment of dues to any bank during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.

(xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the year, the Company has not made any preferential allotment of shares to (parties or companies) covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) We have verified the end use of money raised by public issue as disclosed by the management in the other explanatory information to the financial statements.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit

for **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No. 001076N

Sd/-
per **B.P. Singh**
Partner
Membership No. 70116

Place: New Delhi
Date: May 20, 2013

for **Sharad Jain Associates**
Chartered Accountants
Firm Registration No. 015201N

Sd/-
Per **Sharad Jain**
Partner
Membership No. 83837

Place: New Delhi
Date: May 20, 2013

Balance Sheet as at March 31, 2013

	Notes	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	**3**	1,791,000,000	1,339,665,000
Reserves and surplus	**4**	12,097,060,342	4,218,238,690
		13,888,060,342	**5,557,903,690**
Non current liabilities			
Long term borrowings	**5**	11,994,665	21,909,418
Long term provisions	**6**	12,436,107	6,088,950
		24,430,772	**27,998,368**
Current liabilities			
Short term borrowings	**5**	2,309,259,492	5,751,152,386
Trade payables	**7**	16,250,433,192	8,524,581,567
Other current liabilities	**8**	1,322,468,039	867,880,785
Short term provisions	**6**	557,307,038	248,079,957
		20,439,467,761	**15,391,694,695**
		34,351,958,875	**20,977,596,753**
Assets			
Non current assets			
Fixed assets			
Tangible assets	**9**	627,623,854	565,741,599
Intangible assets under development		10,375,862	9,792,927
Non current investments	**10**	500,000	-
Deferred tax assets (net)	**11**	50,058,491	4,218,952
Long term loans and advances	**12**	800,284,077	631,597,156
Other non current asset	**13**	147,881,149	80,509,140
		1,636,723,433	**1,291,859,774**
Current assets			
Current investment	**14**	4,428,839,877	100,000
Inventories	**15**	17,137,026,910	11,724,093,717
Trade receivables	**16**	6,747,826,109	6,866,451,907
Cash and bank balances	**17**	2,648,562,357	748,254,601
Short term loans and advances	**12**	1,699,834,459	324,572,965
Other current assets	**18**	53,145,730	22,263,789
		32,715,235,442	**19,685,736,979**
		34,351,958,875	**20,977,596,753**

Notes 1 to 40 form an integral part of these financial statements

For and on behalf of the board of directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	President (Finance)	Chairman	Managing Director

This is the Balance Sheet referred to in our report of even date

for **Sharad Jain Associates**	for **Walker, Chandiok & Co**
Chartered Accountants	Chartered Accountants
Sd/-	**Sd/-**
per **Sharad Jain**	per **B P Singh**
Partner	Partner

Place : New Delhi
Date : May 20, 2013

Statement of Profit and Loss for the year ended March 31, 2013

	Notes	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
Revenue			
Revenue from operations	**20**	40,184,193,574	30,419,264,512
Changes in inventories of finished goods and work-in-progress	**21**	5,744,435,295	6,137,253,871
Other income	**22**	202,066,305	175,651,906
Total revenue		**46,130,695,174**	**36,732,170,289**
Expenses			
Cost of materials consumed	**23**	39,347,741,561	31,274,132,073
Purchases of traded goods	**24**	19,457,843	36,818,525
Employee benefits expense	**25**	353,046,458	248,962,068
Finance costs	**26**	1,274,654,539	772,060,398
Depreciation and amortisation expense	**9**	99,885,008	65,899,664
Other expenses	**27**	1,383,768,617	1,684,311,738
Prior period items	**28**	6,811,698	-
Total expenses		**42,485,365,724**	**34,082,184,466**
Profit before tax		3,645,329,450	2,649,985,823
Tax expense:			
Current tax		784,553,181	534,347,694
Less : Minimum Alternate Tax credit entitlement		-	(193,756,894)
Tax earlier years		-	(70,493)
Deferred tax		(45,839,538)	(3,468,875)
Profit for the year		**2,906,615,807**	**2,312,934,391**
Earnings per equity share (₹)	**29**		
- Basic		19.86	17.27
- Diluted		19.86	17.27

Notes 1 to 40 form an integral part of these financial statements

For and on behalf of the board of directors

Sd/-	Sd/-	Sd/-	Sd/-
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	President (Finance)	Chairman	Managing Director

This is the Statement of Profit and Loss referred to in our report of even date

for **Sharad Jain Associates**	for **Walker, Chandiok & Co**
Chartered Accountants	Chartered Accountants
Sd/-	Sd/-
per **Sharad Jain**	per **B P Singh**
Partner	Partner

Place : New Delhi
Date : May 20, 2013

Cash Flow Statement for the year ended March 31, 2013

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	3,645,329,450	2,649,985,823
Adjustments for:		
Depreciation and amortisation expense	99,885,008	65,899,664
Unrealised foreign exchange (gain)/loss	(180,385,402)	272,473,111
Net (profit)/loss on sale of fixed assets	(29,984)	1,877,955
Dividend income	(82,597,400)	-
Profit on sale of investment	(2,260,000)	-
Interest income on fixed deposit	(105,129,704)	(169,448,528)
Interest income on loan given	(9,054,817)	(3,632,540)
Interest expense	948,604,344	628,797,033
Provision for gratuity	6,884,893	3,219,512
Operating profit before working capital changes	**4,321,246,388**	**3,449,172,030**
Adjustments for:		
Increase in inventories	(5,412,933,193)	(6,223,180,722)
Decrease/(increase) in trade receivable	171,694,418	(2,449,242,152)
Increase in loans and advances	(1,284,835,782)	(454,388,104)
Increase in current liabilities	8,110,168,345	2,473,793,506
Cash generated from/(used in) operating activities	**5,905,340,176**	**(3,203,845,442)**
Direct taxes paid	709,354,600	161,373,822
Net cash generated from/(used in) operating activities	**5,195,985,576**	**(3,365,219,264)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets including capital advances and movement in intangible assets under development	(236,736,212)	(497,502,419)
Proceeds from sale of fixed assets	1,491,572	3,257,014
Proceeds from sale of investment	2,360,000	-
Investment in shares of subsidiary	(500,000)	(100,000)
Investment in mutual fund	(4,428,839,877)	-
Dividend income	82,597,400	-
Loan given to subsidiary	-	(89,678,187)
Loan recovered from other corporate bodies	4,895,337	-
Interest received	83,302,581	183,439,572
Movement in fixed deposits	(1,338,769,151)	17,668,870
Net cash used in investing activities	**(5,830,198,350)**	**(382,915,150)**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares including securities premium	6,013,078,890	-
Repayment of long term loans	(10,096,311)	(6,355,002)
Proceeds from long term borrowings	-	14,377,268
Short term borrowings, net	(3,441,892,894)	4,341,958,149
Share application money refunded	-	(6,986,247)
Share issue expenses	(323,656,950)	(56,343,050)
Interest paid	(917,966,297)	(616,110,849)
Net cash generated from financing activities	**1,319,466,438**	**3,670,540,269**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**685,253,664**	**(77,594,145)**
Opening cash and cash equivalents	112,984,334	190,578,477
Closing cash and cash equivalents*	798,237,998	112,984,334
	685,253,664	**(77,594,143)**
*** Reconciliation of cash and cash equivalents**		
Cash in hand	550,736,447	31,484,030
Cheques in hand	966,111	2,548,525
Bank Balances	246,535,440	78,951,779
	798,237,998	**112,984,334**

Notes 1 to 40 form an integral part of these financial statements

For and on behalf of the board of directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	President (Finance)	Chairman	Managing Director

This is the Cash Flow Statement referred to in our report of even date

for **Sharad Jain Associates**	for **Walker, Chandiok & Co**
Chartered Accountants	Chartered Accountants
Sd/-	**Sd/-**
per **Sharad Jain**	per **B P Singh**
Partner	Partner

Place : New Delhi
Date : May 20, 2013

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

1. COMPANY OVERVIEW

PC Jeweller Limited (the 'Company') was incorporated on April 13, 2005. The Company is engaged in the business of manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items. The registered office of the Company is located in New Delhi.

2. BASIS OF ACCOUNTING

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act') and the guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India in respect of certain derivative instruments. The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) USE OF ESTIMATES

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

b) FIXED ASSETS

Fixed assets are stated at cost (gross block) less accumulated depreciation and amortisation. The cost of fixed assets comprises its purchase price and any cost attributable to bringing the assets to its working condition and intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under fixed assets.

c) DEPRECIATION AND AMORTISATION

Depreciation on fixed assets is provided at rates as mentioned below, based on estimated economic useful life of the assets on written down method, equal to the rates specified in Schedule XIV of the Act from the date in which the asset is put to use:

Description	Rates of depreciation
Building	10%
Plant and machinery	13.91%
Office equipment	13.91%
Computers	40%
Furniture and fixtures	18.10%
Vehicles	25.89%

Leasehold improvements have been amortised over the estimated useful life of the assets or the period of lease, whichever is lower.

d) REVENUE RECOGNITION

Revenue from sale of goods is recognised on transfer of risk and rewards of ownership of goods to the buyer. Sales are stated exclusive of sales tax. Excise duty is not applicable to the Company.

In respect of sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

e) INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost or fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of the long term investments.

f) VALUATION OF INVENTORIES

Inventories are valued as follows:

Raw material:

Lower of cost or net realizable value. Cost is determined on first in first out ('FIFO') basis.

Work-in-progess:

At cost determined on FIFO basis upto estimated stage of completion.

Finished goods:

Lower of cost or net realizable value. Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion to make the sale.

In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts invoiced by the vendor are recognised based on the year end closing gold rate.

Alloys and consumables are charged to the Statement of Profit and Loss.

g) FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the year. Differences arising there from are recognised in the Statement of Profit and Loss.

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstanding assets at the balance sheet date. The premium or discount on such contracts is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as an income or expense for the year.

h) DERIVATIVE INSTRUMENTS

The Company uses foreign exchange forward contracts to hedge its exposure towards highly probable forecast transactions. These foreign exchange forward contracts are not used for trading or speculation purposes.

The Company does mark to market valuation on outstanding forward contracts on highly probable forecast transactions and recognizes the unrealized gains and losses per the available guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

i) EMPLOYEES BENEFIT

Wages, salaries, bonuses and paid leave are accrued in the year in which the associated services are rendered by employees of the Company.

The Company has two post employment plans in operation viz. Gratuity and Provident fund.

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as and when they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

The Company provides for gratuity, a defined benefit plan, which defines an amount of benefit that an employee will receive on separation from the Company, usually dependent on one or more factors such as age, years of service and remuneration. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation ('DBO') at the balance sheet date together with adjustments for unrecognised actuarial gains or losses and past service costs. The present value of DBO is calculated annually by an independent actuary using the projected unit credit method.

j) TAXATION

Tax expense comprises of current tax and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The provision for current income-tax is recorded based on assessable income and the tax rate applicable to the relevant assessment year.

Deferred income-tax reflects the impact of current period timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset to the extent it pertains to unabsorbed business loss/ depreciation is recognized only to the extent that there is virtual certainty of realization based on convincing evidence, as evaluated on a case to case basis.

The Company has two units which are located in Special Economic Zone, viz,Unit I and Unit II. Unit II is exempted from income tax (current tax) till March 31, 2015 and both the aforementioned units are partly exempted till March 31, 2022 and March 31, 2025 respectively under the provisions of Section 10AA of the Income Tax Act, 1961. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income-tax as aforesaid.

The Company's two manufacturing units located in the notified places as prescribed under section 80IC of the Income-tax Act, 1961 are eligible for the deduction of 100% of the profits and gains of the units for the first 5 consecutive years and 30% for the next 5 consecutive years. The Company is eligible for the 100% deduction till March 31, 2013 and 2014 for Unit I and Unit II respectively and further the 30% deduction till March 31, 2018 and 2019 for Unit I and Unit II respectively. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

Minimum alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the period in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

k) LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease rentals are expensed with reference to lease terms.

l) IMPAIRMENT OF ASSETS

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

m) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n) PROVISIONS AND CONTINGENCIES

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

o) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

p) SHARE ISSUE EXPENSES

The share issue expenses have been adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		As at March 31, 2013		As at March 31, 2012	
		Number of shares	Amount in ₹	Number of shares	Amount in ₹
3	**Share capital**				
	Authorised share capital				
	Equity shares of ₹ 10 each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
	Issued, subscribed and fully paid up				
	Equity shares of ₹ 10 each	179,100,000	1,791,000,000	133,966,500	1,339,665,000
a)	**Reconciliation of equity share outstanding at the beginning and end of the year**				
	Balance at the beginning of the year	133,966,500	1,339,665,000	44,655,500	446,555,000
	Add: shares issued during the year	45,133,500	451,335,000	-	-
	Add: bonus shares issued during the year	-	-	89,311,000	893,110,000
	Balance at the end of the year	179,100,000	1,791,000,000	133,966,500	1,339,665,000

		As at March 31, 2013		As at March 31, 2012	
		Number of shares	% of holding	Number of shares	% of holding
b)	**Details of shareholders holding more than 5% of the shares of the Company***				
	Equity shares of ₹ 10 each				
	Mr. Balram Garg	66,002,700	36.85%	66,002,700	49.27%
	Mr. Padam Chand Gupta	50,371,800	28.12%	50,371,800	37.60%
	DVI Fund Mauritius Limited	9,262,589	5.17%	-	-
		125,637,089	70.15%	116,374,500	86.87%

* As per the records of the Parent Company, including its register of shareholders/members and other declarations if any received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares

During the year ended March 31, 2012, the Company had issued two bonus shares for each share held by the shareholders per record on the September 16, 2011. Consequently, 89,311,000 bonus shares of ₹ 10 each had been issued by utilizing the securities premium balance and accumulated profits. Other than the above mentioned bonus issues, the Company has not issued any shares pursuant to a contract without payment being received in cash nor has there been any buy-back of shares in the current year and preceding five years.

d) Terms and rights attached to equity shares

1) The Company had only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. In the event of liquidation of the Company, holders of equity shares will been entitled to receive any of the remaining assets of the Company, after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.
2) During the year ended March 31, 2013, the amount of proposed final dividend recognised as distribution to equity shareholders was ₹ 1 per share (March 31, 2012: ₹ Nil per share).

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

4 Reserves and surplus

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Securities premium account		
Balance at the beginning of the year	-	225,000,000
Add : Received on issue of equity shares	5,561,743,890	-
Less: Utilised for writing off share issue expenses	380,000,000	-
Less : Utilised for issuance of bonus shares	-	225,000,000
Balance at the end of the year	5,181,743,890	-
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	4,218,238,690	2,573,414,299
Add : Profit for the year	2,906,615,807	2,312,934,391
Less : Utilised for issue of bonus shares	-	668,110,000
Less : Appropriation	-	-
Proposed dividend on equity shares amount per share ₹ 1 per share (previous year ₹ Nil per share) [Refer note 3(d)(2)]	179,100,000	-
Dividend distribution tax	30,438,045	-
Net surplus in the Statement of Profit and Loss	6,915,316,452	4,218,238,690
	12,097,060,342	**4,218,238,690**

5 Borrowings

	As at March 31, 2013		As at March 31, 2012	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
Secured				
Vehicle loans*	11,994,665	#	21,909,418	#
Cash credit facilities**	-	1,004,735,441	-	3,279,726,353
Packing credit facilities**	-	1,150,027,801	-	1,354,125,539
Post shipment credit facilities**	-	154,496,250	-	943,732,100
Demand loan**	-	-	-	151,541,509
Unsecured				
Bank overdraft	-	-	-	22,026,885
	11,994,665	**2,309,259,492**	**21,909,418**	**5,751,152,386**

Disclosed under Note 8, Other current liabilities as 'current maturities of vehicle loans' ₹ 9,469,347 (previous year ₹ 9,650,905)

a) **Details of guarantee for each type of borrowings**

Guaranteed by directors and others

Loans repayable on demand from banks:	As at March 31, 2013	As at March 31, 2012
Cash credit facilities	1,004,735,441	3,279,726,353
Packing credit facilities	1,150,027,801	1,354,125,539
Post shipment credit facilities	154,496,250	943,732,100
Demand loan	-	151,541,509
	2,309,259,492	**5,729,125,500**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

b) Details of security for each type of borrowings

* These are secured by way of hypothecation of assets, thus purchased.

** Secured against first pari passu charge on current assets and fixed assets of company, personal guarantees of directors, corporate guarantees of promoter group companies, other companies and fixed deposits.

c) Terms of repayment

Vehicle loans are repayable in 60 equal monthly instalments over the tenure of the loans and the final instalments are due for repayment in April 2017 .

	As at March 31, 2013		As at March 31, 2012	
	Long term	**Short term**	**Long term**	**Short term**
	₹	₹	₹	₹
6 Provisions				
Provisions for employee benefits (Refer note (a) below)	12,436,107	707,285	6,088,950	169,549
Provision for taxation (net of prepaid taxes ₹ 461,595,559 (previous year ₹ 307,357,025))	-	346,910,341	-	247,708,417
Proposed equity dividend ₹ 1 per share (previous year ₹ Nil per share) [Refer note 3(d)(2)]	-	179,100,000	-	-
Dividend distribution tax	-	30,438,045	-	-
Provision for wealth tax	-	151,367	-	201,991
	12,436,107	**557,307,038**	**6,088,950**	**248,079,957**

(a) Employee benefits

	Gratuity	
	March 31, 2013	**March 31, 2012**
	₹	₹
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	6,258,499	3,038,987
Service cost	5,334,723	3,445,474
Interest cost	538,231	246,158
Actuarial loss/(gain)	1,011,939	(472,120)
Projected benefit obligation at the end of the year	**13,143,392**	**6,258,499**
Expense recognised in the Statement of Profit and Loss		
Service cost	5,334,723	3,445,474
Interest cost	538,231	246,158
Recognized net actuarial loss/(gain)	1,011,939	(472,120)
Net costs	**6,884,893**	**3,219,512**
Assumptions used		
Discount rate	8.10%	8.60%
Long-term rate of compensation increase	8.00%	8.00%
Average remaining life	30.49	31.14

Note:

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

(b) The Company makes contribution to statutory provident fund and employee state insurance. These are post employment benefit and are in the nature of defined contribution plans. Contribution made by the Company during the year is ₹ 8,954,605 (previous year - ₹ 7,284,240).

		As at March 31, 2013	As at March 31, 2012
		₹	₹
7	**Trade payables**		
	Due to:		
	Micro, small and medium enterprises (Refer note (a) below)	-	-
	Others	16,250,433,192	8,524,581,567
		16,250,433,192	**8,524,581,567**

(a) The Company has identified the micro, small and medium enterprises under the Micro Small and Medium Enterprise Development Act, 2006 (MSMEDA) based upon the information available and confirmations sent to all the suppliers. Based on the information available with the Company and the confirmations received, there are no dues outstanding to these micro, small and medium enterprises as at March 31, 2013. Further, no interest during the year has been paid or payable under the terms of the MSMEDA.

8	**Other Current Liabilities**		
	Current maturities of vehicle loan	9,469,347	9,650,905
	Interest accrued but not due on borrowings	22,923,482	10,659,902
	Interest accrued and due on borrowings	-	5,578,251
	Application money received on allotment of securities and due for refund	1,222,645	-
	Statutory dues	14,182,485	11,196,672
	Employee related payables	39,183,775	25,507,551
	Other accrued liabilities	171,570,449	83,562,132
	Other payables		
	Advance from customers	1,062,557,999	397,900,181
	Creditors for capital goods	1,357,857	50,411,518
	Foreign currency payable, net	-	273,413,673
		1,322,468,039	**867,880,785**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

9 Fixed assets

	Tangible assets								
Gross block	**Land**	**Building**	**Leasehold improvements**	**Plant and machinery**	**Office equipments**	**Computers**	**Furniture and fixtures**	**Vehicles**	**Total**
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Balance as at April 1, 2011	**75,754,408**	**2,120,000**	**132,904,987**	**33,130,212**	**75,098,389**	**7,692,601**	**10,360,602**	**51,446,454**	**388,507,653**
Additions	-	41,436,250	131,307,747	37,596,349	52,699,687	10,877,946	11,906,771	32,810,487	318,635,237
Disposals	-	-	(1,293,443)	(2,628,652)	(1,012,432)	(616,230)	(568,834)	(543,607)	(6,663,198)
Balance as at March 31, 2012	**75,754,408**	**43,556,250**	**262,919,291**	**68,097,909**	**126,785,644**	**17,954,317**	**21,698,539**	**83,713,334**	**700,479,692**
Additions	-	-	70,651,005	26,693,593	47,420,866	7,631,117	10,146,494	605,166	163,148,241
Disposals	-	-	-	-	(14,700)	-	-	(3,869,471)	(3,884,171)
Balance as at March 31, 2013	**75,754,408**	**43,556,250**	**333,570,296**	**94,791,502**	**174,191,810**	**25,585,434**	**31,845,033**	**80,449,029**	**859,743,762**
Accumulated depreciation and amortisation									
Balance as at April 1, 2011	**-**	**289,366**	**19,026,830**	**10,116,408**	**15,895,471**	**4,068,134**	**3,548,468**	**17,421,981**	**70,366,658**
Depreciation charge/amortisation	-	4,032,982	26,836,403	4,569,874	12,720,066	3,032,883	2,229,987	12,477,469	65,899,664
Reversal on disposal of assets	-	-	(776,066)	(156,563)	(69,417)	(120,126)	(47,215)	(358,842)	(1,528,229)
Balance as at March 31, 2012	**-**	**4,322,348**	**45,087,167**	**14,529,719**	**28,546,120**	**6,980,891**	**5,731,240**	**29,540,608**	**134,738,093**
Depreciation charge/amortisation	-	3,923,390	46,055,443	7,587,098	18,420,070	5,790,323	4,299,903	13,808,781	99,885,008
Reversal on disposal of assets	-	-	-	-	(2,136)	-	-	(2,501,057)	(2,503,193)
Balance as at March 31, 2013	**-**	**8,245,738**	**91,142,610**	**22,116,817**	**46,964,054**	**12,771,214**	**10,031,143**	**40,848,332**	**232,119,908**
Net block									
Balance as at March 31, 2012	75,754,408	39,233,902	217,832,124	53,568,190	98,239,524	10,973,426	15,967,299	54,172,726	565,741,599
Balance as at March 31, 2013	75,754,408	35,310,512	242,427,686	72,674,685	127,227,756	12,814,220	21,813,890	39,600,697	627,623,854

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		As at March 31, 2013	As at March 31, 2012
		₹	₹
10	**Non current investments**		
	Trade investments (valued at cost unless stated otherwise)		
	Investment in equity instruments		
	In subsidiary company		
	PC Universal Private Limited	500,000	-
	50,000 (previous year Nil) equity shares of ₹ 10 each		
		500,000	**-**
	Aggregate amount of unquoted investments	500,000	-
11	**Deferred taxes assets (net)**		
	Deferred tax assets arising on account of		
	Timing difference on depreciation/amortisation of tangible assets	7,853,467	2,188,382
	Provision for employee benefits	4,467,439	2,030,570
	Provision for discount	37,737,585	-
		50,058,491	**4,218,952**

		As at March 31, 2013		As at March 31, 2012	
		Long term	Short term	Long term	Short term
		₹	₹	₹	₹
12	**Loans and advances**				
	(Unsecured, considered good)				
	Capital advances	291,543,700	-	218,619,274	-
	Security deposits				
	Related parties	14,500,000	-	25,400,000	-
	Others	189,113,815	-	167,253,330	-
	Loans and advances				
	Related parties	19,160	-	620,000	89,678,187
	Others	85,402,850	-	-	-
	Minimum alternate tax credit entitlement	219,704,552	-	219,704,552	-
	Foreign currency receivables, net	-	191,083,544	-	-
	Other loans and advances				
	Prepaid expenses	-	6,199,437	-	3,785,650
	Balances with government authorities	-	88,994,476	-	20,844,222
	Advances to suppliers	-	1,350,407,746	-	143,747,779
	Others	-	63,149,256	-	66,517,127
		800,284,077	**1,699,834,459**	**631,597,156**	**324,572,965**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		As at March 31, 2013 ₹	As at March 31, 2012 ₹
13	**Other non-current assets**		
	Non-current bank balances (Refer note 17)	147,881,149	24,166,090
	Share issue expenses	-	56,343,050
		147,881,149	**80,509,140**
14	**Current investments**		
	Investment in equity instruments		
	In subsidiary company		
	Shivani Sarees Private Limited Nil (previous year 10,000) equity shares of ₹ 10 each	-	100,000
	Investment in mutual funds (Quoted)		
	Axis Treasury Advantage Fund-Growth Growth 385,690.32 (previous year Nil) units of ₹ 1,302.88 each	502,509,827	-
	Bank of India Axis Treasury Advantage Fund-Regular Plan 182,351.32 (previous year Nil) units of ₹ 1,377.73 each	251,230,142	-
	IDFC Money Manager Fund-Investment Plan-Growth-Regular Plan 27,630,720.94 (previous year Nil) units of ₹ 18.10 each	500,000,000	-
	Reliance Money Manager Fund-Growth Plan-Growth Option 470,422.22 (previous year Nil) units of ₹ 1,602.51 each	753,856,023	-
	SBI Magnum Income Fund Regular Growth 2,405,481.75 (previous year Nil) units of ₹ 29.10 each	70,000,000	-
	SBI Magnum Fund Insta Cash Fund Liquid Floater- Regular Plan-Growth 648,546.03 (previous year Nil) units of ₹ 2,004.48 each	1,300,000,000	-
	SBI Ultra Fund-Regular Plan Growth 698,408.67 (previous year Nil) units of ₹ 1,505.20 each	1,051,243,885	-
		4,428,839,877	**100,000**
	Aggregate amount of quoted investments (market value ₹ 4,438,970,478 (previous year Nil))	4,428,839,877	-
	Aggregate amount of unquoted investments	-	100,000
15	**Inventories (valued at lower of cost or net realisable value)**		
	Raw materials	300,206,516	631,708,618
	Work-in-progress	6,317,850,283	4,015,958,329
	Finished goods - own manufactured	10,518,970,111	7,076,426,770
		17,137,026,910	**11,724,093,717**
16	**Trade receivables**		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months from the date they are due for payment	35,580,117	69,238,567
	Other *	6,712,245,992	6,797,213,340
		6,747,826,109	**6,866,451,907**

* Includes ₹ 5,211,204 (previous year ₹ 10,386,640) pertaining to restatement of unfixed revenue as at year end.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		As at March 31, 2013	As at March 31, 2012
		₹	₹
17	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash in hand	550,736,447	31,484,030
	Cheques in hand	966,111	2,548,525
	Balances with banks in current accounts	246,535,440	78,951,779
		798,237,998	112,984,334
	Other bank balances		
	Deposits with maturity more than 3 months but less than 12 months	1,850,324,359	635,270,267
	Deposits with more than twelve months maturity	147,881,149	24,166,090
		2,796,443,506	772,420,691
	Less : Amounts disclosed as other non-current assets (Refer note 13)	147,881,149	24,166,090
		2,648,562,357	**748,254,601**
18	**Other current assets**		
	Interest accrued on		
	- fixed deposits	49,297,296	18,994,503
	- loan to subsidiary	-	3,269,286
	- loan to others	3,848,434	-
		53,145,730	**22,263,789**
19	**Contingent liabilities and commitments (to the extent not provided for)**		
	Claims against the company not acknowledged as debt		
	Value added tax	1,852,894	1,852,894
	Legal case *	5,500,000	-
	Guarantees	10,000,000	10,000,000
	Estimated amount of contracts remaining to be executed on capital account and not provided for	12,590,885	31,590,578
	** excluding interest which is not ascertainable*		

		Year ended March 31, 2013	Year ended March 31, 2012
		₹	₹
20	**Revenue**		
	Revenue from operations		
	Sale of products		
	Export	10,307,712,443	10,024,365,833
	Domestic	29,876,481,131	20,394,898,679
		40,184,193,574	**30,419,264,512**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
	₹	₹
Details of products sold		
Finished goods - own manufactured *		
Gold jewellery and articles	28,166,068,563	19,983,751,770
Diamond studded jewellery **	11,842,043,915	10,271,510,314
Silver made ups and others ***	176,081,096	164,002,428
	40,184,193,574	**30,419,264,512**

* The management is unable to ascertain the sales value of the traded goods and hence the same have been included in finished goods - own manufactured.

** Diamonds studded jewellery comprises of jewellery which are studded in Gold and Platinum jewellery and articles.

*** Others includes platinum jewellery and watches.

21 Changes in inventories of finished goods and work-in-progress

Closing stock		
- Finished goods - own manufactured	10,518,970,111	7,076,426,770
- Work-in-progress	6,317,850,283	4,015,958,329
	16,836,820,394	11,092,385,099
Opening stock		
- Finished goods - own manufactured	7,076,426,770	2,986,907,862
- Work-in-progress	4,015,958,329	1,968,223,366
	11,092,385,099	4,955,131,228
	5,744,435,295	**6,137,253,871**
Details of finished goods- own manufactured		
Gold jewellery and articles	7,436,367,346	4,470,631,074
Diamond *	2,963,490,351	2,468,783,727
Silver made ups and others **	119,112,414	137,011,969
	10,518,970,111	**7,076,426,770**
Details of work-in-progress		
Gold jewellery and articles	5,074,183,019	3,087,645,965
Diamond *	1,243,106,854	928,168,160
Silver made ups and others **	560,410	144,204
	6,317,850,283	**4,015,958,329**

* Diamond comprises of diamond which are studded in Gold and Platinum jewellery and articles.

** Others includes platinum jewellery and watches.

22 Other income

Interest income on:		
fixed deposits	105,129,704	169,448,528
loan to subsidiary	-	3,632,540
loan to others	9,054,817	-
Dividend income	82,597,400	-
Profit on sale of investment	2,260,000	-
Profit on sale of fixed assets	29,984	-
Other non-operating income	2,994,400	2,570,838
	202,066,305	**175,651,906**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
23	**Cost of materials consumed**		
	Raw material		
	Opening stock	631,708,618	545,781,767
	Add : purchases during the year	39,016,239,459	31,360,058,924
	Less : closing stock	300,206,516	631,708,618
		39,347,741,561	**31,274,132,073**
	Details of raw materials		
	Opening stock		
	Gold	185,532,020	269,465,363
	Diamonds	443,671,398	276,316,404
	Others	2,505,200	-
		631,708,618	**545,781,767**
	Closing stock		
	Gold	44,163,470	185,532,020
	Diamonds	254,448,753	443,671,398
	Others	1,594,294	2,505,200
		300,206,517	**631,708,618**
	Purchases during the year		
	Gold	33,289,113,612	23,479,474,228
	Diamonds	5,630,427,705	7,750,411,981
	Others	96,698,142	130,172,715
		39,016,239,459	**31,360,058,924**
	Consumed during the year		
	Gold	33,430,482,162	23,563,407,571
	Diamonds	5,819,650,350	7,583,056,986
	Others	97,609,048	127,667,516
		39,347,741,560	**31,274,132,073**
24	**Purchases of traded goods**		
	Gold jewellery and articles	177,861	1,270,798
	Silver made ups and others	19,279,982	35,547,727
		19,457,843	**36,818,525**
25	**Employee benefits expense**		
	Salaries, wages and bonus	318,169,567	226,050,031
	Contribution to gratuity (Refer note 6(a))	6,884,893	3,219,512
	Contribution to provident and other defined contribution funds	8,954,605	7,284,240
	Staff welfare expense	19,037,393	12,408,285
		353,046,458	**248,962,068**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
26 Finance costs		
Interest		
on loan	924,651,626	608,079,284
on late deposit of advance tax	23,952,718	20,717,749
Other borrowing costs	30,706,692	35,463,028
Bank charges and commission	295,343,503	107,800,337
	1,274,654,539	**772,060,398**
27 Other expenses		
Advertisment	261,807,145	264,058,188
Labour charges	244,780,114	199,972,643
Hallmarking charges	4,059,466	5,073,465
Packing expenses	14,779,064	20,875,300
Rent	212,556,950	143,822,372
Business promotion	68,625,511	21,898,763
Communication expenses	23,853,020	10,796,192
Repairs and maintenance		
- office	17,946,432	9,351,759
- others	10,964,138	9,977,710
Discount and commission *	285,044,281	35,750,749
Electricity and water	47,763,238	32,989,248
Vehicle running and maintenance	6,073,143	5,976,241
Insurance	16,616,773	10,257,115
Legal and professional	20,110,473	19,843,289
Rates and taxes	5,933,011	7,528,828
Printing and stationery	16,282,504	9,411,145
Security expenses	35,034,661	23,807,202
Travelling and conveyance	16,304,557	15,198,789
Net loss on sale of fixed assets	-	1,877,955
Net loss on foreign currency translation	55,883,660	824,923,380
Donation	15,631,166	7,893,684
Miscellaneous	3,719,310	3,027,721
	1,383,768,617	**1,684,311,738**

* interalia includes ₹ 111,025,553 (previous year Nil) provided against an incentive scheme for sale of jewellery.

28 Prior period items		
Interest on late deposit of advance tax pertaining to earlier year	6,811,698	-
	6,811,698	**-**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
29	**Earnings per equity share**		
a)	**Computation of profit per Statement of Profit and Loss attributable to equity shareholders**		
	Net profit attributable to equity shareholders	2,906,615,807	2,312,934,391
b)	**Computation of weighted average number of shares**		
	Basic earnings per share	146,331,842	133,966,500
	Diluted earnings per share	146,331,842	133,966,500
c)	**Nominal value of shares**	10	10
d)	**Earning per share**		
	Basic earnings per share	19.86	17.27
	Diluted earnings per share	19.86	17.27

30 Related party transactions

Related party disclosures, as required by Accounting Standard 18 - Related Party Disclosures, notified under the Companies Act, 1956 are given below:

(i) Subsidiary Company

Shivani Sarees Private Limited (Upto April 14, 2012)

PC Universal Private Limited (with effect from February 28, 2013)

(ii) Key management personnel

Mr. Padam Chand Gupta	: Chairman
Mr. Balram Garg	: Managing Director
Mr. R.K. Sharma (upto September 22, 2011)	: Executive Director
Mr. Amar Chand Garg (upto September 22, 2011)	: Vice Chairman

(iii) Relatives of Key management personnel

Ms. Kusum Jain	: Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg
Mr. Nitin Gupta	: Son of Mr. Padam Chand Gupta
Mr. Sachin Gupta	: Son of Mr. Padam Chand Gupta
Ms. Gazal Garg	: Daughter-in-law of Mr. Padam Chand Gupta
Smt. Pooja Garg	: Wife of Mr. Balram Garg
Smt. Payal Lila	: Daughter of Mr. Amar Chand Garg
Smt. Krishna Devi	: Wife of Mr. Padam Chand Gupta
Ms. Santosh Sharma	: Wife of Mr. R. K. Sharma
Ms. Manju Garg	: Wife of Mr. Amar Chand Garg
Ms. Ritu Gupta	: Daughter of Mr. Padam Chand Gupta
Ms. Shivani Gupta	: Daughter-in-law of Mr. Padam Chand Gupta

(iv) Other entities in which key management personnel is having significant influence

P C Jewellers (Exports)

P C Mangal Vasan Private Limited

Onyx Townships Private Limited

Quick Developers Private Limited

Amar Chand HUF

Padam Chand HUF

Trigun Infrastructure Private Limited.

PC Charitable Society (Regd.)

PC Education Society (Regd.)

Shivani Sachin Education Society (Regd.)

Balram Garg, HUF

Balkishan Das, HUF

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

(v) Transactions with related parties during the year

Particulars	Subsidiary Company		Key management personnel		Relatives of key management		Other parties		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Sale of goods	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**377,950,630**	**-**	**377,950,630**
PC Jewellers (Exports)	-	-	-	-	-	-	-	*377,950,630*	-	*377,950,630*
Purchase of goods	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**183,873,824**	**-**	**183,873,824**
PC Jewellers (Exports)	-	-	-	-	-	-	-	*183,873,824*	-	*183,873,824*
Rent paid	**310,298**	**3,206,000**	**2,930,574**	**2,484,000**	**745,200**	**745,200**	**2,585,853**	**2,647,200**	**6,571,925**	**9,082,400**
Mr. Padam Chand Gupta	-	-	*2,791,022*	*2,484,000*	-	-	-	-	*2,791,022*	*2,484,000*
Mr. Balram Garg	-	-	*139,552*	-	-	-	-	-	*139,552*	-
Mr. Nitin Gupta	-	-	-	-	*372,600*	*372,600*	-	-	*372,600*	*372,600*
Mr. Sachin Gupta	-	-	-	-	*372,600*	*372,600*	-	-	*372,600*	*372,600*
Onyx Townships Private Limited	-	-	-	-	-	-	*2,585,853*	*2,647,200*	*2,585,853*	*2,647,200*
Shivani Sarees Private Limited	*310,298*	*3,206,000*	-	-	-	-	-	-	*310,298*	*3,206,000*
Remuneration paid	**-**	**-**	**60,098,000**	**45,382,491**	**7,514,175**	**4,949,493**	**-**	**-**	**67,612,175**	**50,851,968**
Mr. Padam Chand Gupta	-	-	*98,000*	-	-	-	-	-	*98,000*	-
Mr. Balram Garg	-	-	*60,000,000*	*45,000,000*	-	-	-	-	*60,000,000*	*45,000,000*
Ms. Kusum Jain	-	-	-	-	*261,996*	*201,996*	-	-	*261,996*	*201,996*
Mr. Nitin Gupta	-	-	-	-	*3,627,339*	*2,340,000*	-	-	*3,627,339*	*2,340,000*
Mr. Sachin Gupta	-	-	-	-	*3,624,840*	*2,250,000*	-	-	*3,624,840*	*2,250,000*
Purchase of Property	-	-	-	-	-	-	-	**39,980,000**	**-**	**39,980,000**
P C Jewellers (Exports)	-	-	-	-	-	-	-	*39,980,000*	-	*39,980,000*
Share issued	**-**	**-**	**-**	**775,830,000**	**-**	**68,062,000**	**-**	**49,218,000**	**-**	**893,110,000**
Mr. Padam Chand Gupta	-	-	-	*335,812,000*	-	-	-	-	-	*335,812,000*
Ms Pooja Garg	-	-	-	-	-	*2,068,000*	-	-	-	*2,068,000*
Mr. Balram Garg	-	-	-	*440,018,000*	-	-	-	-	-	*440,018,000*
Ms. Santosh Sharma	-	-	-	-	-	*1,700,000*	-	-	-	*1,700,000*
Ms. Payal Lila	-	-	-	-	-	*2,480,000*	-	-	-	*2,480,000*
Ms Krishna Devi	-	-	-	-	-	*35,600,000*	-	-	-	*35,600,000*
Ms Shivani Gupta	-	-	-	-	-	*19,600,000*	-	-	-	*19,600,000*
Mr. Sachin Gupta	-	-	-	-	-	*6,614,000*	-	-	-	*6,614,000*
Padam Chand HUF	-	-	-	-	-	-	-	*7,234,000*	-	*7,234,000*
Amar Chand HUF	-	-	-	-	-	-	-	*8,404,000*	-	*8,404,000*
Balram Garg HUF	-	-	-	-	-	-	-	*280,000*	-	*280,000*
Quick Developers Private Limited	-	-	-	-	-	-	-	*33,300,000*	-	*33,300,000*
Interest income	**328,941**	**3,632,540**	**-**	**-**	**-**	**-**	**-**	**-**	**328,941**	**3,632,540**
Shivani Sarees Private Limited	*328,941*	*3,632,540*	-	-	-	-	-	-	*328,941*	*3,632,540*
Advance given	**-**	**-**	**-**	**-**	**-**	**3,914,560**	**-**	**-**	**-**	**3,914,560**
Nitin Gupta	-	-	-	-	-	*1,936,015*	-	-	-	**1,936,015**
Sachin Gupta	-	-	-	-	-	*1,978,545*	-	-	-	**1,978,545**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

Particulars	Subsidiary Company		Key management personnel		Relatives of key management		Other parties		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Advances received back	**-**	**-**	**-**	**-**	**3,914,560**	-	**-**	**-**	**3,914,560**	**-**
Nitin Gupta	-	-	-	-	*1,936,015*	-	-	-	*1,936,015*	-
Sachin Gupta	-	-	-	-	*1,978,545*	-	-	-	*1,978,545*	-
Loan given	**-**	**94,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**94,000,000**
Shivani Sarees Private Limited	-	*94,000,000*	-	-	-	-	-	-	-	*94,000,000*
Investment	**500,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**500,000**	**-**
PC Universal Private Limited	*500,000*	-	-	-	-	-	-	-	*500,000*	-
Expenses to be reimbursed	**19,160**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19,160**	**-**
PC Universal Private Limited	*19,160*	-	-	-	-	-	-	-	*19,160*	-
Share application money refunded	**-**	**-**	**-**	**-**	**-**	**800,000**	**-**	**186,247**	**-**	**986,247**
Ms. Santosh Sharma	-	-	-	-	-	*800,000*	-	-	-	*800,000*
Balkishan Das HUF	-	-	-	-	-	-	-	*86,247*	-	*86,247*
Quick Developers Private Limited	-	-	-	-	-	-	-	*100,000*	-	*100,000*
Year end balances										
Amount payable	**-**	**-**	**-**	**110,280**	**-**	**-**	**-**	**2,574,738**	**-**	**2,685,018**
Mr. Padam Chand Gupta	-	-		*110,280*	-	-	-	-	-	*110,280*
PC Mangal Vasan Private Limited	-	-	-	-	-	-		*1,380,223*	-	*1,380,223*
PC Jewellers Exports	-	-	-	-	-	-	-	*1,194,515*		*1,194,515*
Remuneration payable	**-**	**-**	**3,483,799**	**3,489,925**	**210,846**	**509,080**	**-**	**-**	**3,694,645**	**4,078,989**
Mr. Balram Garg	-	-	*3,483,799*	*3,467,434*	-	-	-	-	*3,483,799*	*3,467,434*
Ms. Kusum Jain	-	-	-	-	*21,000*	*25,996*	-	-	*21,000*	*25,996*
Mr. Nitin Gupta	-	-	-	-	*86,392*	*241,542*	-	-	*86,392*	*241,542*
Mr. Sachin Gupta	-	-	-	-	*103,454*	*241,542*	-	-	*103,454*	*241,542*
Amount receivable	**19,160**	**89,032,913**	**-**	**-**	**-**	**3,914,560**	**-**	**-**	**19,160**	**92,947,473**
Shivani Sarees Private Limited	-	*89,032,913*	-	-	-	-	-	-	-	*89,032,913*
PC Universal private Limited	*19,160*	-	-	-	-	-	-	-	*19,160*	-
Mr. Nitin Gupta	-	-	-	-	-	*1,936,015*	-	-	-	*1,936,015*
Mr. Sachin Gupta	-	-	-	-	-	*1,978,545*	-	-	-	*1,978,545*
Security deposits	**-**	**10,900,000**	**-**	**-**	**-**	**-**	**14,500,000**	**14,500,000**	**14,500,000**	**25,400,000**
Shivani Sarees Private Limited	-	*10,900,000*	-	-	-	-	-	-	-	*10,900,000*
Onyx Townships Private Limited	-	-	-	-	-	-	*14,500,000*	*14,500,000*	*14,500,000*	*14,500,000*

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

31 The Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Company's overall strategy. The Company does not use forward covers for speculative purposes.

As per the strategy of the Company, foreign currency loans are covered by comprehensive hedge, considering the risks associated with the hedging of such loans, which effectively fixes the principal and interest liability of such loans and further there is no additional risk involved post hedging of these loans.

(i) The following are the outstanding forward contracts/derivative contracts in respect of foreign currency loans/ export sales as at March 31, 2013:

Particulars	Year ended March 31,2013	Year ended March 31, 2012
	₹	₹
Forward contract buy		
Nunber of contracts	24	50
Amount in US Dollar (USD)	34,086,116	36,664,569
Forward contract sell		
Nunber of contracts	16	48
Amount in USD	72,400,000	57,977,415

(ii) The detail of foreign currency exposure that are not hedged by derivative instrument or otherwise is as mentioned below:-

Particulars		
Included in sundry creditors		
USD	256,042,299	126,687,671
Amount in ₹	13,926,140,643	6,480,897,842
Currency rate	54.39	51.16
Included in sundry debtors		
USD	46,419,767	66,240,416
Amount in ₹	2,524,771,127	3,388,627,841
Currency rate	54.39	51.16

32 Earnings in foreign currency (accrual basis)		
Export value of goods	10,307,712,443	10,024,365,833
Other income-insurance and freight	3,776,310	2,693,395
	10,311,488,753	**10,027,059,228**

33 Expenditure in foreign currency (accrual basis)		
Interest on buyer credit	-	23,659,543
Professional and consultation fees	7,586,900	9,169,000
Packing charges	5,567,514	10,651,838
Travelling expenses	1,487,915	3,970,299
	14,642,329	**47,450,680**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		Year ended March 31,2013 ₹	Year ended March 31, 2012 ₹
34	**Imported and indigenous consumption**		
	Raw materials		
	Imported		
	Amount	9,184,615,587	9,036,543,100
	Percentage	23%	29%
	Indigeneous		
	Amount	30,163,125,974	22,237,588,973
	Percentage	77%	71%
	Total		
	Amount	**39,347,741,561**	**31,274,132,073**
	Percentage	**100%**	**100%**
35	**Value of imports on CIF basis**		
	Raw materials	9,184,615,587	9,036,543,100
	Capital goods	33,058,512	41,010,522
		9,217,674,099	**9,077,553,622**
36	**(i) Disclosures in respect of non-cancellable operating leases**		
	Particulars		
	Payable not later than one year	107,881,699	145,930,112
	Payable later than one year not later than five years	54,239,000	164,322,114
		162,120,699	**310,252,226**

(ii) Lease payments under cancellable operating lease are recognised as an expense in the Statement of Profit and Loss as rentals.

		Year ended March 31,2013 ₹	Year ended March 31, 2012 ₹
37	**Payments to auditors**		
	Particulars		
	Statutory audit	3,902,500	3,550,000
	Tax audit	350,000	300,000
	Other services *	6,160,000	8,490,000
	Out of pocket expense	-	312,500
	Service tax	1,286,985	1,200,208
		11,699,485	**13,852,708**

* Other services for the year ended March 31, 2013 amounting to ₹ 5,985,000 (Previous year ₹ 5,650,000) interalia relates to assurance services for Initial Public Offering (IPO) and hence has been adjusted against Securities Premium Account as part of share issue expenses.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

38 During the year, the company has made an Initial Public Offer (IPO) and allotted 4,51,33,500 equity shares of face value ₹ 10 . Out of these, 1,59,88,722 equity shares of face value ₹ 10 at a premium of ₹ 120 per equity share were alloted to retail investors and eligible employees of the Company and the balance equity shares of face value ₹ 10 at a premium of ₹ 125 per equity share were alloted to qualified institutional buyers and non-institutional investors. Consequently, the paid up Equity Share Capital and Securities Premium Account have been increased by ₹ 451,335,000 and ₹ 5,561,743,890 respectively. The Company's Shares have been listed on BSE Limited and National Stock Exchange of India Limited (NSE) on December 27, 2012.

39 Pursuant to the provisions of Clause 43 of the listing Agreement with the exchanges, the utilization of the net proceeds is as follows:

Particulars	**Utilization planned as per Prospectus**	**Utilization of IPO proceeds as on March 31, 2013**	**Balance amount to be utilized as on March 31, 2013**
	₹	₹	₹
To finance the establishment of new showrooms	5,168,500,000	600,646,679	4,567,853,321
General corporate purposes	464,370,000	-	464,370,000
Share issue expenses	380,000,000	380,000,000	-

Interim utilization of IPO proceeds up to March 31, 2013

Particulars	**Amount in ₹**
Balance unutilised amount temporarily invested in:	
Mutual funds	4,370,000,000
Balance in bank accounts	662,198,121
Escrow account	25,200

40 Reclassifications

Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with those of the current year.

For and on behalf of the board of directors

Sd/-	Sd/-	Sd/-	Sd/-
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	President (Finance)	Chairman	Managing Director

for **Sharad Jain Associates**
Chartered Accountants
Sd/-
per **Sharad Jain**
Partner

for **Walker, Chandiok & Co**
Chartered Accountants
Sd/-
per **B P Singh**
Partner

Place : New Delhi
Date : May 20, 2013

Independent Auditors' Report

To the Board of Directors of PC Jeweller Limited

1. We have audited the accompanying consolidated financial statements of PC Jeweller Limited, ("the Company") and its subsidiaries, (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on the financial statements of the subsidiary, as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

   ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

   iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

7. We did not jointly audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total revenues (after eliminating intra-group transactions) of ₹ 158

for the period then ended. These financial statements have been audited by Sharad Jain Associates ('SJA') whose audit report has been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit report of the SJA. Our opinion is not qualified in respect of this matter.

8. The consolidated financial statements also include the unaudited financial statements of another subsidiary, whose financial statements reflect total assets of ₹ 472,439 (after eliminating intra-group transactions) and net cash outflows aggregating to ₹ 423,279 for the period then ended. These financial statements have been certified by the management.

for **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No. 001076N

Sd/-
per **B.P. Singh**
Partner
Membership No. 70116

Place: New Delhi
Date: May 20, 2013

for **Sharad Jain Associates**
Chartered Accountants
Firm Registration No. 015201N

Sd/-
Per **Sharad Jain**
Partner
Membership No. 83837

Place: New Delhi
Date: May 20, 2013

Consolidated Balance Sheet as at March 31, 2013

Particulars	Notes	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	4	1,791,000,000	1,339,665,000
Reserves and surplus	5	12,097,003,621	4,214,635,144
		13,888,003,621	**5,554,300,144**
Non current liabilities			
Long term borrowings	6	11,994,665	21,909,418
Long term provisions	7	12,436,107	6,088,950
		24,430,772	**27,998,368**
Current liabilities			
Short term borrowings	6	2,309,259,492	5,751,152,386
Trade payables	8	16,250,433,192	8,524,581,566
Other current liabilities	9	1,322,478,039	866,635,029
Short term provisions	7	557,307,038	248,079,957
		20,439,477,761	**15,390,448,938**
		34,351,912,154	**20,972,747,450**
Assets			
Non current assets			
Goodwill on consolidation		-	78,088
Fixed assets			
Tangible assets	10	627,623,854	657,489,028
Intangible assets under development		10,375,862	9,792,927
Deferred tax assets (net)	11	50,058,491	4,218,952
Long term loans and advances	12	800,284,917	620,709,156
Other non current asset	13	147,881,149	80,559,140
		1,636,224,273	**1,372,847,291**
Current assets			
Current investment	14	4,428,839,877	-
Inventories	15	17,137,026,910	11,724,093,717
Trade receivable	16	6,747,826,109	6,866,451,907
Cash and bank balances	17	2,649,014,796	749,313,851
Short term loans and advances	12	1,699,834,459	241,038,795
Other current assets	18	53,145,730	19,001,889
		32,715,687,881	**19,599,900,159**
		34,351,912,154	**20,972,747,450**

Notes 1 to 36 form an integral part of these consolidated financial statements

For and on behalf of the board of directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	President (Finance)	Chairman	Managing Director

This is the Consolidated Balance Sheet referred to in our report of even date

for **Sharad Jain Associates**	for **Walker, Chandiok & Co**
Chartered Accountants	Chartered Accountants
Sd/-	**Sd/-**
per **Sharad Jain**	per **B P Singh**
Partner	Partner

Place : New Delhi
Date : May 20, 2013

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Notes	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
Revenue			
Revenue from operations	**20**	40,184,193,574	30,419,264,512
Changes in inventories of finished goods and work-in-progress	**21**	5,744,435,295	6,137,253,871
Other income	**22**	205,778,492	172,022,407
Total revenue		**46,134,407,361**	**36,728,540,790**
Expenses			
Cost of materials consumed	**23**	39,347,741,561	31,274,132,073
Purchases of traded goods	**24**	19,457,843	36,818,525
Employee benefits expense	**25**	353,046,458	248,962,068
Finance costs	**26**	1,274,664,685	772,069,185
Depreciation and amortisation expense	**10**	100,172,032	68,777,334
Goodwill on consolidation, impaired		78,088	-
Other expenses	**27**	1,383,558,721	1,681,399,330
Prior period items	**28**	6,811,698	-
Total expenses		**42,485,531,086**	**34,082,158,515**
Profit before tax		3,648,876,275	2,646,382,275
Tax expense:			
Current tax		784,553,181	534,347,694
Less : Minimum Alternate Tax credit entitlement		-	(193,756,894)
Tax earlier years		-	(70,495)
Deferred tax		(45,839,538)	(3,468,875)
Profit for the year		**2,910,162,632**	**2,309,330,845**
Earnings per equity share (₹)	**29**		
- Basic		19.89	17.24
- Diluted		19.89	17.24

Notes 1 to 36 form an integral part of these consolidated financial statements

For and on behalf of the board of directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	President (Finance)	Chairman	Managing Director

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

for **Sharad Jain Associates**	for **Walker, Chandiok & Co**
Chartered Accountants	Chartered Accountants
Sd/-	**Sd/-**
per **Sharad Jain**	per **B P Singh**
Partner	Partner

Place : New Delhi
Date : May 20, 2013

Consolidated Cash Flow Statement for the year ended March 31, 2013

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	3,648,876,275	2,646,382,275
Adjustments for:		
Depreciation and amortisation	100,172,032	68,777,334
Goodwill on consolidation impaired	78,088	-
Unrealised foreign exchange (gain)/loss	(180,385,402)	272,473,111
Net (profit)/loss on sale of fixed assets	(29,984)	1,877,955
Dividend income	(82,597,400)	-
Profit on disposal of investment in subsidiary	(6,300,985)	-
Interest income on fixed deposit	(105,129,862)	(169,451,569)
Interest income on loan given	(8,725,861)	-
Interest expense	948,604,344	628,803,060
Employee benefits	6,884,893	3,219,512
Operating profit before working capital changes	**4,321,446,138**	**3,452,081,678**
Adjustments for:		
Increase in inventories	(5,412,933,193)	(6,223,180,722)
Decrease/(increase) in trade receivable	171,694,418	(2,449,242,152)
Increase in loan and advances	(1,297,411,613)	(441,252,929)
Increase in current liabilities	8,126,651,718	2,456,446,679
Cash generated from/(used in) operating activities	**5,909,447,468**	**(3,205,147,446)**
Direct taxes paid	709,354,600	161,171,831
Net cash generated from/(used in) operating activities	**5,200,092,868**	**(3,366,319,277)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets including capital advances and movement in intangible assets under development	(236,736,207)	(500,235,206)
Proceeds from sale of fixed assets	1,491,572	3,257,014
Proceeds from disposal of subsidiary, net	686,590	-
Investment in shares of subsidiary	-	(100,000)
Investment in a mutual fund	(4,428,839,877)	-
Dividend income	82,597,400	-
Loan given to subsidiary	-	(3,914,560)
Loan given to other corporate bodies	(80,868,290)	-
Interest received	79,711,883	183,076,318
Movement in fixed deposits	(1,338,719,151)	17,668,870
Net cash used in investing activities	**(5,920,676,080)**	**(300,247,564)**

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital including security premium	6,013,078,890	-
Repayment of long term borrowings	(10,096,311)	(48,893,981)
Proceeds from long term borrowings	-	19,063,000
Short term loans, net	(3,356,129,267)	4,307,845,781
Share application money refunded	-	(15,486,247)
Share issue expenses	(323,656,950)	(56,343,050)
Interest paid	(917,966,297)	(616,712,702)
Net cash generated from financing activities	**1,405,230,065**	**3,589,472,801**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**684,646,853**	**(77,094,040)**
Cash acquired on acquisition of subsidiary	-	559,147
Opening cash and cash equivalents	114,043,584	190,578,477
Closing cash and cash equivalents*	798,690,437	114,043,584
	684,646,853	**(77,094,040)**
*** Reconciliation of cash and cash equivalents**		
Cash in hand	550,746,447	31,606,429
Cheques in hand	966,111	2,548,525
Bank Balances	246,977,879	79,888,630
	798,690,437	**114,043,584**

Notes 1 to 36 form an integral part of these consolidated financial statements

For and on behalf of the board of directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	President (Finance)	Chairman	Managing Director

This is the Consolidated Cash Flow Statement referred to in our report of even date

for **Sharad Jain Associates**	for **Walker, Chandiok & Co**
Chartered Accountants	Chartered Accountants
Sd/-	**Sd/-**
per **Sharad Jain**	per **B P Singh**
Partner	Partner

Place : New Delhi
Date : May 20, 2013

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

1. Company overview

PC Jeweller Limited (formerly known as PC Jeweller Private Limited) ('the Company' or the 'Parent Company') was incorporated on April 13, 2005. The Company is engaged in the business of manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items.

On April 14, 2012 the Parent Company disposed off the 10,000 equity shares (representing 100% of the equity share capital) of Shivani Sarees Private Limited ('SSPL') to third parties

On February 28, 2013, the Parent Company incorporated PC Universal Private Limited ('PCUPL'), a wholly owned subsidiary

2. Principles of consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiary (hereinafter referred as 'the Group').

The consolidated financial Statements have been prepared in accordance with the notified Accounting Standard (AS-21) on 'consolidated financial statement' notified pursuant to the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1)(a) of section 642 of the Companies Act, 1956 (the 'Act'). The consolidated financial statements are prepared on the following basis:

i) Consolidated financial statement normally includes Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and Summary of significant accounting policies and other explanatory information that form an integral part thereof. The consolidated financial statements are presented, to the extent possible, in the same format as adapted by the Parent Company for its standalone financial statements.

ii) The consolidated financial Statements include the financial statements of the Parent Company and its subsidiary which is more than 50 percent owned or controlled as at March 31, 2013.

iii) The consolidated financial statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition profit increase in the relevant reserves of the entity to be consolidated.

iv) Summary of significant accounting policies and other explanatory information, represents notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements has not been disclosed in the consolidated financial statements.

3. Basis of preparation

The consolidated financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act') and the guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India in respect of certain derivative instruments. The consolidated financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates

The preparation of consolidated financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

b) Goodwill

The difference between the cost to the Group of investment in subsidiary and the proportionate share in the equity of the investee company as at the date of the acquisition is recognised as Goodwill or Capital Reserve, as the case maybe, in the consolidated financial statements.

c) Fixed assets

Fixed assets are stated at cost (gross block) less accumulated depreciation and amortisation. The cost of fixed assets comprises its purchase price and any cost attributable to bringing the assets to its working condition and intended use. Capital expenditure incurred on rented properties is classified as ‘Leasehold improvements’ under fixed assets.

d) Depreciation and amortisation

Depreciation on fixed assets is provided at rates as mentioned below, based on estimated economic useful life of the assets on written down method, equal to the rates specified in Schedule XIV of the Act from the date in which the asset is put to use:

Description	Rates of depreciation
Building	10%
Plant and machinery	13.91%
Office equipment	13.91%
Computers	40%
Furniture and fixtures	18.10%
Vehicles	25.89%

Leasehold improvements have been amortised over the estimated useful life of the assets or the period of lease, whichever is lower.

e) Revenue recognition

Revenue from sale of goods is recognised on transfer of risk and rewards of ownership of goods to the buyer. Sales are stated exclusive of sales tax. Excise duty is not applicable to the Parent company.

In respect of sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

f) Valuation of inventories

Inventories are valued as follows:

Raw material:

Lower of cost or net realizable value. Cost is determined on first in first out (’FIFO’) basis.

Work-in-progess:

At cost determined on FIFO basis upto estimated stage of completion.

Finished goods:

Lower of cost or net realizable value. Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion to make the sale.

In respect of purchase of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amounts invoiced by the vendor are recognised based on the year end closing gold rate.

Alloys and consumables are charged to the Statement of Profit and Loss.

g) Foreign exchange transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the Consolidated Statement of Profit and Loss.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the year. Differences arising there from are recognised in the Consolidated Statement of Profit and Loss.

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstanding assets at the balance sheet date. The premium or discount on such contracts is amortised as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as an income or expense for the year.

h) Derivative instruments

The Parent Company uses foreign exchange forward contracts to hedge its exposure towards highly probable forecast transactions. These foreign exchange forward contracts are not used for trading or speculation purposes.

The Parent Company does mark to market valuation on outstanding forward contracts on highly probable forecast transactions and recognizes the unrealized gains and losses per the available guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India.

i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost or fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary in the value of the long term investments.

j) Employee benefits

Wages, salaries, bonuses and paid leave are accrued in the year in which the associated services are rendered by employees of the Parent Company.

The Parent Company has two post employment plans in operation viz. Gratuity and Provident fund.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Parent Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as and when they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

The Parent Company provides for gratuity, a defined benefit plan, which defines an amount of benefit that an employee will receive on separation from the Parent Company, usually dependent on one or more factors such as age, years of service and remuneration. The liability recognised in the balance sheet for defined benefit plans is the present value of the defined benefit obligation ('DBO') at the balance sheet date together with adjustments for unrecognised actuarial gains or losses and past service costs. The present value of DBO is calculated annually by an independent actuary using the projected unit credit method.

k) Taxation

Tax expense comprises of current tax and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The provision for current income-tax is recorded based on assessable income and the tax rate applicable to the relevant assessment year.

Deferred income-tax reflects the impact of current period timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset to the extent it pertains to unabsorbed business loss/ depreciation is recognized only to the extent that there is virtual certainty of realization based on convincing evidence, as evaluated on a case to case basis.

The Parent Company has two units which are located in Special Economic Zone, viz, Unit I and Unit II. Unit II is exempted from income tax (current tax) till March 31, 2015 and both the aforementioned units are partly exempted till March 31, 2022 and March 31, 2025 respectively under the provisions of Section 10AA of the Income Tax Act, 1961. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income-tax as aforesaid.

The Parent Company's two manufacturing units located in the notified places as prescribed under section 80IC of the Income-tax Act, 1961 are eligible for the deduction of 100% of the profits and gains of the units for the first 5 consecutive years and 30% for the next 5 consecutive years. The Parent Company is eligible for the 100% deduction till March 31, 2013 and 2014 for Unit I and Unit II respectively and further the 30% deduction till March 31, 2018 and 2019 for Unit I and Unit II respectively. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid.

Minimum alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Parent Company will pay normal income-tax during the specified period. In the period in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Consolidated Statement of Profit and Loss and shown as MAT credit entitlement. The Parent Company reviews the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Parent Company will pay normal income-tax during the specified period.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

l) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease rentals are expensed with reference to lease terms.

m) Impairment of assets

i) Goodwill

Goodwill is tested for impairment on an annual basis. If on testing, any impairment exists, the carrying amount is reduced to the extent of any impairment loss and such loss is recognised in the Consolidated Statement of Profit and Loss.

ii) Other assets

The Group on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is charged to the Consolidated Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Provisions and contingencies

The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Group; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

q) Share issue expenses

The share issue expenses have been adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
4 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	179,100,000	1,791,000,000	133,966,500	1,339,665,000
a) Reconciliation of equity share outstanding at the beginning and end of the year				
Balance at the beginning of the year	133,966,500	1,339,665,000	44,655,500	446,555,000
Add: shares issued during the year	45,133,500	451,335,000	-	-
Add: bonus shares issued during the year	-	-	89,311,000	893,110,000
Balance at the end of the year	179,100,000	1,791,000,000	133,966,500	1,339,665,000

	As at March 31, 2013		As at March 31, 2012	
	Number of shares	% of holding	Number of shares	% of holding
b) Details of shareholders holding more than 5% of the shares of the Parent Company*				
Equity shares of ₹ 10 each				
Mr. Balram Garg	66,002,700	36.85%	66,002,700	49.27%
Mr. Padam Chand Gupta	50,371,800	28.12%	50,371,800	37.60%
DVI Fund Mauritius Limited	9,262,589	5.17%	-	-
	125,637,089	70.15%	116,374,500	86.87%

* As per the records of the Parent Company, including its register of shareholders/members and other declarations if any received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares

During the year ended March 31, 2012, the Parent Company has issued two bonus shares for each share held by the shareholders per record on the September 16, 2011. Consequently, 89,311,000 bonus shares of ₹ 10 each has been issued by utilizing the securities premium balance and accumulated profits. Other than the abovementioned bonus issues, the Parent Company has not issued any shares pursuant to a contract without payment being received in cash nor has there been any buy-back of shares in the current year and preceding five years.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

d) Terms and rights attached to equity shares

1) The Parent Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Parent Company. In the event of liquidation of the Parent Company, holders of equity shares will be entitled to receive any of the remaining assets of the Parent Company, after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

2) During the year ended March 31, 2013, the amount of proposed final dividend recognised as distribution to equity shareholders was ₹ 1 per share (March 31, 2012: ₹ Nil per share).

5 Reserves and surplus

	As at March 31, 2013	As at March 31, 2012
	₹	₹
Securities premium account		
Balance at the beginning of the year	-	225,000,000
Add : Received on issue of equity shares	5,561,743,890	-
Less: Utilised for writing off share issue expenses	380,000,000	-
Less : Utilised for issuance of bonus shares	-	225,000,000
Balance at the end of the year	5,181,743,890	-
Surplus in the Consolidated Statement of Profit and Loss		
Balance at the beginning of the year	4,214,635,144	2,573,414,299
Add : Profit for the year	2,910,162,632	2,309,330,845
Less : Utilised for issue of bonus shares	-	668,110,000
Less : Appropriation		
Proposed dividend on equity shares amount per share ₹1 per share (previous year ₹ Nil per share) (Refer Note 3(d)(2))	179,100,000	-
Dividend distribution tax	30,438,045	-
Net surplus in the Consolidated Statement of Profit and Loss	6,915,259,731	4,214,635,144
	12,097,003,621	**4,214,635,144**

	As at March 31, 2013		As at March 31, 2012	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
6 Borrowings				
Secured				
Vehicle loan*	11,994,665	#	21,909,418	#
Cash credit facilities**	-	1,004,735,441	-	3,279,726,353
Packing credit facilities**	-	1,150,027,801	-	1,354,125,539
Post shipment credit facilities**	-	154,496,250	-	943,732,100
Demand loan**	-	-	-	151,541,509
Unsecured				
Bank overdraft	-	-	-	22,026,885
	11,994,665	**2,309,259,492**	**21,909,418**	**5,751,152,386**

Disclosed under Note 9, Other current liabilities as 'current maturities of Vehicle loan' ₹ 9,469,347 (previous year ₹ 9,650,905)

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
a) Details of guarantee for each type of borrowings				
Guaranteed by directors and others				
Loans repayable on demand from banks:				
Cash credit facilities		1,004,735,441		3,279,726,353
Packing credit facilities		1,150,027,801		1,354,125,539
Post shipment credit facilities		154,496,250		943,732,100
Demand loan		-		151,541,509
		2,309,259,492		**5,729,125,501**

b) Details of security for each type of borrowings

* These are secured by way of hypothecation of assets, thus purchased.

** Secured against first pari passu charge on current assets and fixed assets of Parent Company , personal gurantees of directors, corporate guarantees of promoter group companies , other companies and fixed deposits.

c) Terms of repayment

Vehicle loans are repayable in 60 equal monthly instalments over the tenure of the loans and the final instalments are due for repayment in April 2017.

	As at March 31, 2013		As at March 31, 2012	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
7 Provisions				
Provisions for employee benefits (Refer note (a) below)	12,436,107	707,285	6,088,950	169,549
Provision for taxation (net of prepaid taxes ₹ 461,595,559 (previous year ₹ 307,357,025))	-	346,910,341	-	247,708,417
Proposed equity dividend ₹ 1 per share (previous year ₹ Nil per share) [Refer note 3(d)(2)]	-	179,100,000	-	-
Dividend distribution tax	-	30,438,045	-	-
Provision for wealth tax	-	151,367	-	201,991
	12,436,107	**557,307,038**	**6,088,950**	**248,079,957**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

(a) Employee benefits

	Gratuity	
	March 31, 2013	**March 31, 2012**
	₹	₹
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	6,258,499	3,038,987
Service cost	5,334,723	3,445,474
Interest cost	538,231	246,158
Actuaria loss/(gain)	1,011,939	(472,120)
Projected benefit obligation at the end of the year	**13,143,392**	**6,258,499**
Expense recognised in the Statement of Profit and Loss		
Service cost	5,334,723	3,445,474
Interest cost	538,231	246,158
Recognized net actuarial loss/(gain)	1,011,939	(472,120)
Net costs	**6,884,893**	**3,219,512**
Assumptions used		
Discount rate	8.10%	8.60%
Long-term rate of compensation increase	8.00%	8.00%
Average remaining life	30.49	31.14

Note:

The Parent Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

(b) The Parent Company makes contribution to statutory provident fund and employee state insurance. These are post employment benefit and are in the nature of defined contribution plans. Contribution made by the Parent Company during the year is ₹ 8,954,605 (previous year - ₹ 7,284,240).

		As at March 31, 2013	As at March 31, 2012
		₹	₹
8	**Trade payables**		
	Due to:		
	Micro, small and medium enterprises (Refer note (a) below)	-	-
	Others	16,250,433,192	8,524,581,566
		16,250,433,192	**8,524,581,566**

(a) The Group has identified the micro, small and medium enterprises under the Micro Small and Medium Enterprise Development Act, 2006 (MSMEDA) based upon the information available and confirmations sent to all the suppliers. Based on the information available with the group and the confirmations received, there are no dues outstanding to these micro and small enterprises as at March 31, 2013. Further, no interest during the year has been paid or payable under the terms of the MSMEDA.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
9 Other current liabilities		
Current maturities of vehicle loan	9,469,347	9,650,905
Interest accrued but not due on borrowings	22,923,482	10,659,902
Interest accrued and due on borrowings	-	5,578,251
Application money received on allotment of securities and due for refund	1,222,645	-
Statutory dues	14,182,485	11,769,297
Employee related payables	39,183,775	25,507,551
Other accrued liabilities	171,580,449	81,743,751
Other payables		
Advance from customers	1,062,557,999	397,900,181
Creditors for capital goods	1,357,857	50,411,518
Foreign currency payable, net	-	273,413,673
	1,322,478,039	**866,635,029**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

10 Fixed assets

	Tangible assets								
Gross block	**Land**	**Building**	**Leasehold improvements**	**Plant and machinery**	**Office equipments**	**Computers**	**Furniture and fixtures**	**Vehicles**	**Total**
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Balance as at April 1, 2011	**75,754,408**	**2,120,000**	**132,904,987**	**33,130,212**	**75,098,389**	**7,692,601**	**10,360,602**	**51,446,454**	**388,507,653**
Additions	-	41,436,250	131,307,747	37,596,349	52,699,687	10,877,946	11,906,771	32,810,487	318,635,237
Acquisitions through business combinations	18,587,184	76,037,915	-	-	-	-	-	-	94,625,099
Disposals	-	-	(1,293,443)	(2,628,652)	(1,012,432)	(616,230)	(568,834)	(543,607)	(6,663,198)
Balance as at March 31, 2012	**94,341,592**	**119,594,165**	**262,919,291**	**68,097,909**	**126,785,644**	**17,954,317**	**21,698,539**	**83,713,334**	**795,104,791**
Additions	-	-	70,651,005	26,693,593	47,420,866	7,631,117	10,146,494	605,166	163,148,241
Adjustments for sale of subsidiary	(18,587,184)	(76,037,915)							(94,625,099)
Disposals	-	-	-	-	(14,700)	-	-	(3,869,471)	(3,884,171)
Balance as at March 31, 2013	**75,754,408**	**43,556,250**	**333,570,296**	**94,791,502**	**174,191,810**	**25,585,434**	**31,845,033**	**80,449,029**	**859,743,762**
Accumulated depreciation and amortisation									
Balance as at April 1, 2011	**-**	**289,366**	**19,026,830**	**10,116,408**	**15,895,471**	**4,068,134**	**3,548,468**	**17,421,981**	**70,366,658**
Depreciation /amortisation	-	6,910,652	26,836,403	4,569,874	12,720,066	3,032,883	2,229,987	12,477,469	68,777,334
Reversal on disposal of assets	-	-	(776,066)	(156,563)	(69,417)	(120,126)	(47,215)	(358,842)	(1,528,229)
Balance as at March 31, 2012	**-**	**7,200,018**	**45,087,167**	**14,529,719**	**28,546,120**	**6,980,891**	**5,731,240**	**29,540,608**	**137,615,763**
Depreciation /amortisation	-	4,210,414	46,055,443	7,587,098	18,420,070	5,790,323	4,299,903	13,808,781	100,172,032
Adjustments for sale of subsidiary	-	(3,164,694)	-	-	-	-	-	-	(3,164,694)
Reversal on disposal of assets	-	-	-	-	(2,136)	-	-	(2,501,057)	(2,503,193)
Balance as at March 31, 2013	**-**	**8,245,738**	**91,142,610**	**22,116,817**	**46,964,054**	**12,771,214**	**10,031,143**	**40,848,332**	**232,119,908**
Net block									
Balance as at March 31, 2012	94,341,592	112,394,147	217,832,124	53,568,190	98,239,524	10,973,426	15,967,299	54,172,726	657,489,028
Balance as at March 31, 2013	75,754,408	35,310,512	242,427,686	72,674,685	127,227,756	12,814,220	21,813,890	39,600,697	627,623,854

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

	As at March 31, 2013	As at March 31, 2012
	₹	₹
11 Deferred taxes assets (net)		
Deferred tax assets arising on account of		
Timing difference on depreciation/amortisation of tangible assets	7,853,467	2,188,382
Provision for employee benefits	4,467,439	2,030,570
Provision for discount	37,737,585	-
	50,058,491	**4,218,952**

	As at March 31, 2013		As at March 31, 2012	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
12 Loans and advances				
(Unsecured, considered good)				
Capital advances	291,543,700	-	218,619,274	-
Security deposits				
Related parties	14,500,000	-	14,500,000	-
Others	189,133,815	-	167,253,330	-
Loans and advances				
Related parties	-	-	620,000	3,914,560
Others	85,402,850	-	-	-
Minimum alternate tax credit entitlement	219,704,552	-	219,704,552	-
Foreign currency receivables, net	-	191,083,544	-	-
Other loans and advances:				
Prepaid expenses	-	6,199,437	-	3,785,650
Balances with government authorities	-	88,994,476	-	21,281,722
Advances to suppliers	-	1,350,407,746	-	143,747,779
Others	-	63,149,256	12,000	68,309,084
	800,284,917	**1,699,834,459**	**620,709,156**	**241,038,795**

	As at March 31, 2013	As at March 31, 2012
	₹	₹
13 Other non-current assets		
Non-current bank balances (Refer note 17)	147,881,149	24,216,090
Share issue expenses	-	56,343,050
	147,881,149	**80,559,140**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		As at March 31, 2013 ₹	As at March 31, 2012 ₹
14	**Current investments**		
	Investment in mutual funds (Quoted)		
	Axis Treasury Advantage Fund-Growth Growth 385,690.32 (previous year Nil) units of ₹ 1,302.88 each	502,509,827	-
	Bank of India Axis Treasury Advantage Fund-Regular Plan 182,351.32 (previous year Nil) units of ₹ 1,377.73 each	251,230,142	-
	IDFC Money Manager Fund-Investment Plan-Growth-Regular Plan 27,630,720.94 (previous year Nil) units of ₹ 18.10 each	500,000,000	-
	Reliance Money Manager Fund-Growth Plan-Growth Option 470,422.22 (previous year Nil) units of ₹ 1,602.51 each	753,856,023	-
	SBI Magnum Income Fund Regular Growth 2,405,481.75 (previous year Nil) units of ₹ 29.10 each	70,000,000	-
	SBI Magnum Fund Insta Cash Fund Liquid Floater- Regular Plan-Growth 648,546.03 (previous year Nil) units of ₹ 2,004.48 each	1,300,000,000	-
	SBI Ultra Fund-Regular Plan Growth 698,408.67 (previous year Nil) units of ₹1,505.20 each	1,051,243,885	-
		4,428,839,877	**-**
	Aggregate amount of quoted investments (market value ₹ 4,438,970,478 (previous year Nil))	4,428,839,877	-
	Aggregate amount of unquoted investments	-	-
15	**Inventories (valued at lower of cost or net realisable value)**		
	Raw materials	300,206,516	631,708,618
	Work-in-progress	6,317,850,283	4,015,958,329
	Finished goods - own manufactured	10,518,970,111	7,076,426,770
		17,137,026,910	**11,724,093,717**
16	**Trade receivables**		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months from the date they are due for payment	35,580,117	69,238,567
	Other *	6,712,245,992	6,797,213,340
		6,747,826,109	**6,866,451,907**

* Includes ₹ 52,11,204 (previous year ₹ 10,386,640) pertaining to restatement of unfixed revenue as at year end.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		As at March 31, 2013 ₹	As at March 31, 2012 ₹
17	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash in hand	550,746,447	31,606,429
	Cheques in hand	966,111	2,548,525
	Balances with banks in current accounts	246,977,879	79,888,630
		798,690,437	114,043,584
	Other bank balances		
	Deposits with maturity more than 3 months but less than 12 months	1,850,324,359	635,270,267
	Deposits with more than twelve months maturity	147,881,149	24,216,090
		2,796,895,945	773,529,941
	Less : Amounts disclosed as other non-current assets (Refer note 13)	147,881,149	24,216,090
		2,649,014,796	**749,313,851**
18	**Other current assets**		
	Interest accrued on		
	- fixed deposits	49,297,296	19,001,889
	- loan to others	3,848,434	-
		53,145,730	**19,001,889**
19	**Contingent liabilities and commitments (to the extent not provided for)**		
	Claims against the company not acknowledged as debt		
	Value added tax	1,852,894	1,852,894
	Legal case *	5,500,000	-
	Guarantees	10,000,000	10,000,000
	Estimated amount of contracts remaining to be executed on capital account and not provided for	12,590,885	31,590,578

** excluding interest which is not ascertainable*

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
20	**Revenue**		
	Revenue from operations		
	Sale of products		
	Export	10,307,712,443	10,024,365,833
	Domestic	29,876,481,131	20,394,898,679
		40,184,193,574	**30,419,264,512**
	Details of products sold		
	Finished goods - own manufactured *		
	Gold jewellery and articles	28,166,068,563	19,983,751,770
	Diamond studded jewellery **	11,842,043,915	10,271,510,314
	Silver made ups and others ***	176,081,096	164,002,428
		40,184,193,574	**30,419,264,512**

* The management is unable to ascertain the sales value of the traded goods and hence the same have been included in finished goods - own manufactured.

** Diamonds studded jewellery comprises of jewellery which are studded in Gold and Platinum jewellery and articles.

*** Others includes platinum jewellery and watches.

21	**Changes in inventories of finished goods and work-in-progress**		
	Closing stock		
	- Finished goods - own manufactured	10,518,970,111	7,076,426,770
	- Work-in-progress	6,317,850,283	4,015,958,329
		16,836,820,394	**11,092,385,099**
	Opening stock		
	- Finished goods - own manufactured	7,076,426,770	2,986,907,862
	- Work-in-progress	4,015,958,329	1,968,223,366
		11,092,385,099	4,955,131,228
		5,744,435,295	**6,137,253,871**
	Details of finished goods- own manufactured		
	Gold jewellery and articles	7,436,367,346	4,470,631,074
	Diamond *	2,963,490,351	2,468,783,727
	Silver made ups and others **	119,112,414	137,011,969
		10,518,970,111	**7,076,426,770**
	Details of work-in-progress		
	Gold jewellery and articles	5,074,183,019	3,087,645,965
	Diamond *	1,243,106,854	928,168,160
	Silver made ups and others **	560,410	144,204
		6,317,850,283	**4,015,958,329**

* Diamond comprises of diamond which are studded in Gold and Platinum jewellery and articles.

** Others includes platinum jewellery and watches.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

	Year ended March 31, 2013 ₹	Year ended March 31, 2012 ₹
22 Other income		
Interest income on:		
fixed deposits	105,129,862	169,451,569
loan to others	8,725,861	-
Dividend income	82,597,400	-
Profit on sale of investment	6,300,985	-
Profit on sale of fixed assets	29,984	-
Other non-operating income	2,994,400	2,570,838
	205,778,492	**172,022,407**
23 Cost of materials consumed		
Raw material		
Opening stock	631,708,618	545,781,767
Add : purchases during the year	39,016,239,459	31,360,058,924
Less : closing stock	300,206,516	631,708,618
	39,347,741,561	**31,274,132,073**
Details of raw materials		
Opening stock		
Gold	185,532,020	269,465,363
Diamonds	443,671,398	276,316,404
Others	2,505,200	-
	631,708,618	**545,781,767**
Closing stock		
Gold	44,163,470	185,532,020
Diamonds	254,448,753	443,671,398
Others	1,594,293	2,505,200
	300,206,516	**631,708,618**
Purchases during the year		
Gold	33,289,113,612	23,479,474,228
Diamonds	5,630,427,705	7,750,411,981
Others	96,698,142	130,172,715
	39,016,239,459	**31,360,058,924**
Consumed during the year		
Gold	33,430,482,162	23,563,407,571
Diamonds	5,819,650,350	7,583,056,986
Others	97,609,049	127,667,516
	39,347,741,562	**31,274,132,073**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

		Year ended March 31, 2013	Year ended March 31, 2012
		₹	₹
24	**Purchases of traded goods**		
	Gold jewellery and articles	177,861	1,270,798
	Silver made ups and others	19,279,982	35,547,727
		19,457,843	**36,818,525**
25	**Employee benefits expense**		
	Salaries, wages and bonus	318,169,567	226,050,031
	Contribution to gratuity (Refer note 6(a))	6,884,893	3,219,512
	Contribution to provident and other defined contribution funds	8,954,605	7,284,240
	Staff welfare expense	19,037,393	12,408,285
		353,046,458	**248,962,068**
26	**Finance costs**		
	Interest		
	on loan	924,651,626	608,085,311
	on late deposit of advance tax	23,952,718	20,717,749
	Other borrowing costs	30,706,692	35,463,028
	Bank charges and commission	295,353,649	107,803,097
		1,274,664,685	**772,069,185**
27	**Other expenses**		
	Advertisment	261,807,145	264,058,188
	Labour charges	244,780,114	199,972,643
	Hallmarking charges	4,059,466	5,073,465
	Packing expenses	14,779,064	20,875,300
	Rent	212,296,950	140,822,372
	Business promotion	68,625,511	21,898,763
	Communication expenses	23,853,020	10,796,192
	Repairs and maintenance		
	- office	17,946,432	9,351,759
	- others	10,964,138	9,998,536
	Discount and commission*	285,044,281	35,750,749
	Electricity and water	47,763,238	32,989,248
	Vehicle running and maintenance	6,073,143	5,976,241
	Insurance	16,617,827	10,257,115
	Legal and professional	20,137,945	19,906,804
	Rates and taxes	5,933,011	7,528,828
	Printing and stationery	16,284,919	9,411,145
	Security expenses	35,034,661	23,807,202
	Travelling and conveyance	16,304,557	15,198,789
	Net loss on sale of fixed assets	-	1,877,955
	Net loss on foreign currency translation	55,883,660	824,923,380
	Donation	15,631,166	7,893,684
	Miscellaneous	3,738,473	3,030,972
		1,383,558,721	**1,681,399,330**

* interalia includes ₹ 111,025,553 (previous year Nil) provided against an incentive scheme for sale of jewellery

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
	₹	₹
28 Prior period items		
Interest on late deposit of advance tax pertaining to earlier year	6,811,698	-
	6,811,698	**-**
29 Earnings per equity share		
a) Computation of profit per Consolidated Statement of Profit and Loss attributable to equity shareholders		
Net profit attributable to equity shareholders	2,910,162,632	2,309,330,845
b) Computation of weighted average number of shares		
Basic earnings per share	146,331,842	133,966,500
Diluted earnings per share	146,331,842	133,966,500
c) Nominal value of shares	10	10
d) Earning per share		
Basic earnings per share	19.89	17.24
Diluted earnings per share	19.89	17.24

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

30 Segment reporting

The Parent Company is engaged in the business of manufacture and sale of gold jewellery, diamond studded jewellery and silver articles of various designs/specifications. The Parent Company's manufacturing facilities are located in India. The risks and returns of the Company are affected predominantly by the fact that it operates in different geographical areas i.e. domestic sales and export sales and accordingly geographical segment have been considered as the primary segment information.

There is no business segment to be reported under secondary segment information.

Segment information has been prepared in conformity with the accounting policies adopted for preparation and presentation of the financial statements of the Group.

(a) Information about Business Segment - Primary for the year ended March 31, 2013

	Export		Domestic		Others		Total before elimination		Elimination		Total	
Particulars	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
Revenue												
Sale of goods	10,307,712,443	10,024,365,833	29,876,481,131	20,394,898,679	-	-	40,184,193,574	30,419,264,512	-	-	40,184,193,574	30,419,264,512
Total revenue	**10,307,712,443**	**10,024,365,833**	**29,876,481,131**	**20,394,898,679**	**-**	**-**	**40,184,193,574**	**30,419,264,512**	**-**	**-**	**40,184,193,574**	**30,419,264,512**
Results												
Segment result	1,067,993,734	790,642,660	2,629,295,862	2,009,072,344	(416,069)	(1,954,310)	3,696,873,526	2,797,760,694		1,649,237	3,696,873,526	2,796,111,457
Unallocated expenses	-	-	-	-	-	-	47,997,251	149,729,182			47,997,251	149,729,182
Profit before tax	**1,067,993,734**	**790,642,660**	**2,629,295,862**	**2,009,072,344**	**- 416,069**	**- 1,954,310**	**3,648,876,275**	**2,648,031,512**	**-**	**1,649,237**	**3,648,876,275**	**2,646,382,275**
Less: Tax expense							738,713,643	337,051,430			738,713,643	337,051,430
Profit after tax							**2,910,162,632**	**2,310,980,082**	**-**	**1,649,237**	**2,910,162,632**	**2,309,330,845**
Assets												
Segment assets	6,953,497,087	6,225,528,208	27,337,508,275	13,534,874,588	472,439	98,655,093	34,291,496,961	19,859,057,889	19,160	103,504,393	34,291,477,801	19,755,553,496
Unallocated assets							60,434,353	581,923,687			60,434,353	581,923,687
Total assets	**6,953,497,087**	**6,225,528,208**	**27,337,508,275**	**13,534,874,588**	**472,439**	**98,655,093**	**34,351,931,314**	**20,440,981,576**	**19,160**	**103,504,393**	**34,351,912,154**	**20,337,477,183**
Liabilities												
Segment liabilities	5,890,375,151	5,442,212,344	14,003,685,851	9,088,041,543	10,000	100,565,656	19,894,071,002	14,630,819,543		101,811,411	19,894,071,002	14,529,008,132
Unallocated liabilities							569,837,530	254,168,907			569,837,530	254,168,907
Total liabilities	**5,890,375,151**	**5,442,212,344**	**14,003,685,851**	**9,088,041,543**	**10,000**	**100,565,656**	**20,463,908,532**	**14,884,988,450**	**-**	**101,811,411**	**20,463,908,532**	**14,783,177,040**
Capital expenditure	104,202	4,574,377	163,044,039	491,625,919	-	4,403,861	163,148,241	500,604,157		1,671,074	163,148,241	498,933,083
Unallocated capital expenditure							583,935	1,302,123			583,935	1,302,123
Total capital expenditure	**104,202**	**4,574,377**	**163,044,039**	**491,625,919**	**-**	**4,403,861**	**163,732,176**	**501,906,280**	**-**	**1,671,074**	**163,732,176**	**500,235,206**
Depreciation and amortisation	4,498,304	4,436,014	95,386,705	61,463,650	287,024	2,877,670	100,172,033	68,777,334	-		100,172,033	68,777,334
Unallocated depreciation												
Total depreciation												
Non cash expenditures other than depreciation (net)							-	-				
Gratuity											6,884,893	3,219,512
Unrealised foreign exchange loss/ (gain)	(264,624,202)	(137,024,316)	445,009,604	409,497,427			180,385,402	272,473,111			180,385,402	272,473,111

Notes:

1. Segment assets include capital work in progress inclusive of capital advances.
2. Capital expenditure pertains to additions made to fixed assets during the year.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

31 Related party transactions

Related party disclosures, as required by Accounting Standard 18 - Related Party Disclosures, notified under the Companies Act, 1956 are given below:

(i) Subsidiary Company

Shivani Sarees Private Limited (Upto April 14, 2012)
PC Universal Private Limited (with effect from February 28, 2013)

(ii) Key management personnel

Mr. Padam Chand Gupta	:	Chairman of the Parent Company, Director of Shivani Sarees Private Limited upto April 30, 2012 and Director of PC Universal Private Limited
Mr. Balram Garg	:	Managing Director of the Parent Company, Director of Shivani Sarees Private Limited upto April 30, 2012 and Director of PC Universal Private Limited
Mr. R.K. Sharma (upto September 22, 2011)	:	Executive Director of the Parent Company
Mr. Amar Chand Garg (upto September 22, 2011)	:	Vice Chairman of the Parent Company and Director of Shivani Sarees Private Limited
Ms. Shivani Gupta	:	Director of Shivani Sarees Private Limited

(iii) Relatives of Key management personnel

Ms. Kusum Jain	:	Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg
Mr. Nitin Gupta	:	Son of Mr. Padam Chand Gupta
Mr. Sachin Gupta	:	Son of Mr. Padam Chand Gupta
Ms. Gazal Garg	:	Daughter-in-law of Mr. Padam Chand Gupta
Smt. Pooja Garg	:	Wife of Mr. Balram Garg
Smt. Payal Lila	:	Daughter of Mr. Amar Chand Garg
Smt. Krishna Devi	:	Wife of Mr. Padam Chand Gupta
Ms. Santosh Sharma	:	Wife of Mr. R. K. Sharma
Ms. Manju Garg	:	Wife of Mr. Amar Chand Garg
Ms. Ritu Gupta	:	Daughter of Mr. Padam Chand Gupta
Ms. Shivani Gupta	:	Daughter-in-law of Mr. Padam Chand Gupta

(iv) Other entities in which key management personnel is having significant influence

P C Jewellers (Exports)
P C Mangal Vasan Private Limited
Onyx Townships Private Limited
Quick Developers Private Limited
Amar Chand HUF
Padam Chand HUF
Trigun Infrastructure Private Limited.
PC Charitable Society (Regd.)
PC Education Society (Regd.)
Shivani Sachin Education Society (Regd.)
Balram Garg, HUF
Balkishan Das, HUF
Suruchi Promoters Private Limited
PC Developers Private Limited

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

(v) Transactions with related parties during the year

Particulars	Key management personnel		Relatives of key management		Other parties		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Sale of goods	**-**	**-**	**-**	**-**	**-**	**377,950,630**	**-**	**377,950,630**
PC Jewellers (Exports)	-	-	-	-	-	*377,950,630*	-	*377,950,630*
Purchase of goods	**-**	**-**	**-**	**-**	**-**	**183,873,824**	**-**	**183,873,824**
PC Jewellers (Exports)	-	-	-	-	-	*183,873,824*	-	*183,873,824*
Rent paid	**2,930,574**	**2,484,000**	**745,200**	**745,200**	**2,585,853**	**2,647,200**	**6,261,627**	**5,876,400**
Mr. Padam Chand Gupta	*2,791,022*	*2,484,000*	-	-	-	-	*2,791,022*	*2,484,000*
Mr. Balram Garg	*139,552*	-	-	-	-	-	*139,552*	-
Mr. Nitin Gupta	-	-	*372,600*	*372,600*	-	-	*372,600*	*372,600*
Mr. Sachin Gupta	-	-	*372,600*	*372,600*	-	-	*372,600*	*372,600*
Onyx Townships Private Limited	-	-	-	-	*2,585,853*	*2,647,200*	*2,585,853*	*2,647,200*
Remuneration paid	**60,098,000**	**45,642,483**	**7,514,175**	**5,209,485**	**-**	**-**	**67,612,175**	**50,851,968**
Mr. Padam Chand Gupta	*98,000*	-	-	-	-	-	*98,000*	-
Mr. Balram Garg	*60,000,000*	*45,000,000*	-	-	-	-	*60,000,000*	*45,000,000*
Mr. Nitin Gupta	-	-	*3,627,339*	*2,340,000*	-	-	*3,627,339*	*2,340,000*
Mr. Sachin Gupta	-	-	*3,624,840*	*2,250,000*	-	-	*3,624,840*	*2,250,000*
Loan received	-	**14,850,000**	-	-	-	**8,500,000**	-	**23,350,000**
Mr. Amar Chand Garg	-	*14,850,000*	-	-	-	-	-	*14,850,000*
PC Developers Private Limited	-	-	-	-	-	*8,500,000*	-	*8,500,000*
Loan repaid	-	**14,850,000**	-	-	-	**24,155,000**	-	**39,005,000**
Mr. Amar Chand Garg	-	*14,850,000*	-	-	-	-	-	*14,850,000*
PC Developers Private Limited	-	-	-	-	-	*24,155,000*	-	*24,155,000*
Purchase of Property	-	-	-	-	-	**39,980,000**	**-**	**39,980,000**
P C Jewellers (Exports)	-	-	-	-	-	*39,980,000*	**-**	*39,980,000*
Share issued	**-**	**795,430,000**	**-**	**48,462,000**	**-**	**49,218,000**	**-**	**893,110,000**
Mr. Padam Chand Gupta	-	*335,812,000*	-	-	-	-	-	*335,812,000*
Mr. Balram Garg	-	*440,018,000*	-	-	-	-	-	*440,018,000*
Ms Krishna Devi	-	-	-	*35,600,000*	-	-	-	*35,600,000*
Ms Shivani Gupta	-	*19,600,000*	-	-	-	-	-	*19,600,000*
Padam Chand HUF	-	-	-	-	-	*7,234,000*	-	*7,234,000*
Amar Chand HUF	-	-	-	-	-	*8,404,000*	-	*8,404,000*
Quick Developers Private Limited	-	-	-	-	-	*33,300,000*	-	*33,300,000*
Advance given	**-**	**-**	**-**	**3,914,560**	**-**	**-**	-	**3,914,560**

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

(v) Transactions with related parties during the year

Particulars	Key management personnel		Relatives of key management		Other parties		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Nitin Gupta	-	-	-	*1,936,015*	-	-	-	*1,936,015*
Sachin Gupta	-	-	-	*1,978,545*	-	-	-	*1,978,545*
Advance received back	-	-	**3,914,560**	-	-	-	**3,914,560**	-
Nitin Gupta	-	-	*1,936,015*	-	-	-	*1,936,015*	-
Sachin Gupta	-	-	*1,978,545*	-	-	-	*1,978,545*	-
Share application money refunded	-	**900,000**	-	**800,000**	-	**7,786,247**	-	**9,486,247**
Ms. Santosh Sharma	-	-	-	*800,000*	-	-	-	*800,000*
Mr. Balram Garg	-	*900,000*	-	-	-	-	-	*900,000*
Suruchi Promoters Private Limited	-	-	-	-	-	*7,600,000*	-	*7,600,000*
Year end balances								
Amount payable	-	**110,280**	-	-	-	**2,574,738**	-	**2,685,018**
Mr. Padam Chand Gupta		*110,280*	-	-	-	-	-	*110,280*
PC Mangal Vasan Private Limited	-	-	-	-	-	*1,380,223*	-	*1,380,223*
PC Jewellers (Exports)	-	-	-	-	-	*1,194,515*	-	*1,194,515*
Remuneration payable	**3,483,799**	**3,529,917**	**210,846**	**549,072**	-	-	**3,694,645**	**4,078,989**
Mr. Balram Garg	*3,483,799*	*3,467,434*	-	-	-	-	*3,483,799*	*3,467,434*
Ms. Kusum Jain	-	-	*21,000*	*25,996*	-	-	*21,000*	*25,996*
Mr. Nitin Gupta	-	-	*86,392*	*241,542*	-	-	*86,392*	*241,542*
Mr. Sachin Gupta	-	-	*103,454*	*241,542*	-	-	*103,454*	*241,542*
Amount receivable	-	-	-	**3,914,560**	-	**620,000**	-	**4,534,560**
Nitin Gupta	-	-	-	*1,936,015*	-	-	-	*1,936,015*
Sachin Gupta	-	-	-	*1,978,545*	-	-	-	*1,978,545*
Onyx Townships Private Limited	-	-	-	-	-	*620,000*	-	*620,000*
Security deposits	-	-	-	-	**14,500,000**	**14,500,000**	**14,500,000**	**14,500,000**
Onyx Townships Private Limited	-	-	-	-	*14,500,000*	*14,500,000*	*14,500,000*	*14,500,000*

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

32 The Parent Company uses forward contracts to hedge its risks associated with fluctuations in foreign currency and interest rates. The use of forward contracts is covered by Parent Company's overall strategy. The Parent Company does not use forward covers for speculative purposes.

As per the strategy of the Parent Company, foreign currency loans are covered by comprehensive hedge, considering the risks associated with the hedging of such loans, which effectively fixes the principal and interest liability of such loans and further there is no additional risk involved post hedging of these loans.

(i) The following are the outstanding forward contracts/derivative contracts in respect of foreign currency loans/ export sales as at March 31, 2013:

Particulars	**Year ended March 31,2013** ₹	**Year ended March 31, 2012** ₹
Forward contract buy		
Number of contracts	24	50
Amount in US Dollar (USD)	34,086,116	36,664,569
Forward contract sell		
Number of contracts	16	48
Amount in USD	72,400,000	57,977,415

(ii) The detail of foreign currency exposure that are not hedged by derivative instrument or otherwiseis as mentioned below:-

Particulars		
Included in sundry creditors		
USD	256,042,299	126,687,671
Amount in ₹	13,926,140,643	6,480,897,842
Currency rate	54.39	51.16
Included in sundry debtors		
USD	46,419,767	66,240,416
Amount in ₹	2,524,771,127	3,388,627,841
Currency rate	54.39	51.16

33 Payments to auditors

Particulars		
Statutory audit	3,902,500	3,550,000
Tax audit	350,000	300,000
Other services *	6,160,000	8,490,000
Out of pocket expense	-	312,500
Service tax	1,286,985	1,200,208
	11,699,485	**13,852,708**

* Other services for the year ended March 31, 2013 amounting to ₹ 5,985,000 (Previous year ₹ 5,650,000) *interalia* relates to assurance services for Initial Public Offering (IPO) and hence has been adjusted against Securities premium account as part of share issue expenses.

Summary of accounting policies and other explanatory information for the year ended March 31, 2013

34 During the year, the company has made an Initial Public Offer (IPO) and allotted 4,51,33,500 equity shares of face value ₹ 10 . Out of these, 1,59,88,722 equity shares of face value ₹ 10 at a premium of ₹ 120 per equity share were alloted to retail investors and eligible employees of the Company and the balance equity shares of face value ₹ 10 at a premium of ₹ 125 per equity share were alloted to qualified institutional buyers and non-institutional investors. Consequently, the paid up Equity Share Capital and Securities Premium Account have been increased by ₹ 451,335,000 and ₹ 5,561,743,890 respectively. The Company's Shares have been listed on BSE Limited and National Stock Exchange of India Limited (NSE) on December 27, 2012.

35 Pursuant to the provisions of Clause 43 of the Listing Agreement with the exchanges, the utilization of the net proceeds is as follows:

Particulars	**Utilization planned as per Prospectus**	**Utilization of IPO proceeds as on March 31, 2013**	**Balance amount to be utilized as on March 31, 2013**
	₹	₹	₹
To finance the establishment of new showrooms	5,168,500,000	600,646,679	4,567,853,321
General corporate purposes	464,370,000	-	464,370,000
Share issue expenses	380,000,000	380,000,000	-

Interim utilization of IPO proceeds up to March 31, 2013

Particulars	**Amount in ₹**
Balance unutilized amount temporarily invested in:	
Mutual funds	4,370,000,000
Balance in bank accounts	662,198,121
Escrow account	25,200

36 Reclassifications

Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with those of the current year.

For and on behalf of the board of directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	President (Finance)	Chairman	Managing Director

for **Sharad Jain Associates**
Chartered Accountants
Sd/-
per **Sharad Jain**
Partner

for **Walker, Chandiok & Co**
Chartered Accountants
Sd/-
per **B P Singh**
Partner

Place : New Delhi
Date : May 20, 2013

Statement pursuant to general exemption under section 212(8) of the Companies Act, 1956 related to the subsidiary companies

Particulars	Shivani Sarees Private Limited*	PC Universal Private Limited
Capital	-	500,000
Reserves	-	-56,271
Total Assets	-	472,439
Total Liabilities	-	29,160
Details of investment (except in case of investment in the subsidiaries)	-	-
Turnover	-	-
Profit before taxation	3,603,546	-56,721
Provision for taxation	-	-
Profit after taxation	3,603,546	-56,721
Proposed dividend	-	-

*On April 14, 2012, PC Jeweller Limited disposed of 100% shareholding in Shivani Sarees Private Limited to third parties.

NOTES

PC Jeweller

PC Jeweller Limited

Registered Office: 24/2708, Bank Street, Karol Bagh, New Delhi-110005

ATTENDANCE SLIP

DP ID	
Client ID/ Folio No.	
No. of Shares held	

NAME & ADDRESS OF THE REGISTERED SHAREHOLDER

I hereby record my presence at the **8th ANNUAL GENERAL MEETING** of the Company held at **Air Force Auditorium, Subroto Park, New Delhi - 110010, on Wednesday, September 18, 2013 at 3:00 p.m.**

Signature of the attending Member/Proxy ……………………………………………………………......................

Notes:

1. A Member/Proxy holder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. A Member/Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.

PC Jeweller

PC Jeweller Limited

Registered Office: 24/2708, Bank Street, Karol Bagh, New Delhi-110005

PROXY FORM

I/We…… ……………………………………..... of ....…………………………………………………….. in the district of ………………………………………………….. being a Member/Members of PC Jeweller Limited, hereby appoint …………………………………………………….. of ……………………………………………………. in the district of ……………………………………………………. or failing him/her …………………………………… of …………………………………………… in the district of ……………………………… as my/our proxy to attend and vote for me/us in my/our behalf at the **8th ANNUAL GENERAL MEETING** of the Company to be held at **Air Force Auditorium, Subroto Park, New Delhi - 110010, on Wednesday, September 18, 2013 at 3:00 p.m.** and at any adjournment thereof.

Signed this ……………………………………………… day of ………………………..2013.

DP ID	
Client ID/ Folio No.	
No. of Shares held	

Signature of Member/s…………………………………

Affix a Re. 1 Revenue Stamp

Notes:

1. The proxy must be returned so as to reach the Registered office of the Company at 24/2708, Bank Street, Karol Bagh, New Delhi-110005, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.
2. A Proxy need not to be a member of the Company.

36 Jewels of PCJ

www.pcjeweller.com

KAROL BAGH

Preet Vihar

Pitampura

South Extn., Part-I

Rajouri Garden

Greater Kailash-I

Kingsway Camp

Paschim Vihar

Ghaziabad

Indirapuram

36 Jewels of PCJ

www.pcjeweller.com

Lucknow

Noida

Kanpur

Gurgaon

Panchkula

Faridabad

Rohtak

Hisar

Chandigarh

Dehradun

36
Jewels of PCJ

www.pcjeweller.com

Haridwar

Indore

Bhopal

Jabalpur

Raipur

Bilaspur

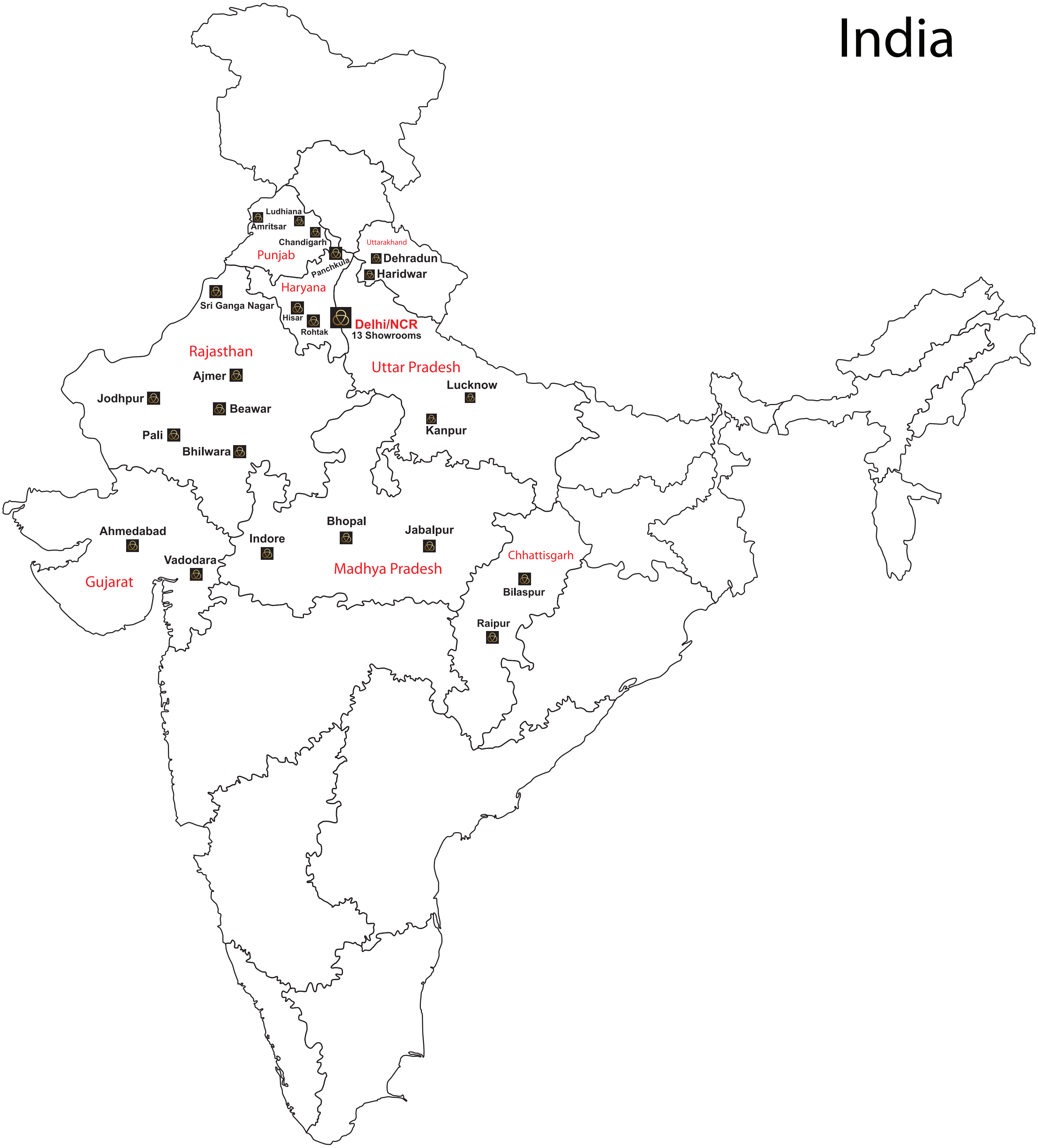
Jodhpur

Bhilwara

Beawar

Pali

India


Ludhiana
Amritsar
Chandigarh
Punjab
Panchkula
Uttarakhand
Dehradun
Haridwar
Haryana
Sri Ganga Nagar
Hisar
Rohtak
Delhi/NCR
13 Showrooms
Rajasthan
Uttar Pradesh
Ajmer
Lucknow
Jodhpur
Beawar
Kanpur
Pali
Bhilwara
Bhopal
Ahmedabad
Indore
Jabalpur
Vadodara
Chhattisgarh
Madhya Pradesh
Gujarat
Bilaspur
Raipur