PCJ
Jeweller for generations
PC Jeweller

PC Jeweller Limited
ANNUAL REPORT
2013-2014

MD MESSAGE

Dear Members,

I, on behalf of the Board of Directors and the management team of PC Jeweller Limited feel privileged to present the Company's Annual Report for the financial year 2013-14.

The Company was successful in facing the multitude of challenges and demands raised during the year. It has managed to continue on its expansion plans by opening 11 large format showrooms during the year. With this expansion, as on March 31, 2014, your Company had total 41 showrooms. After the closure of year under review your Company has opened 4 more new showrooms. Hence, as on date the Company is operating 45 showrooms under the 'PC Jeweller' brand located in 36 cities across 15 States and 1 Union Territory throughout the India.

The year under review also brought new supply side challenges in the form of stoppage of metal loan facility for domestic operations and supply restrictions under the 20:80 rule. However, I am glad to report that your Company could adapt to the changing environment and new regulatory policies effectively and continued to get supplies as per its requirements.

The Company continues to focus on its domestic business and its export operations are expected to remain less than 25% of its turnover. Within its domestic operations the Company would continue to expand its time tested large format stores with focus on wedding jewellery. We feel that the Indian consumers are maturing and would continue to shift their business from family run unorganized jewellers towards branded players, where they are not only assured of purity and quality but also wide variety and range of jewellery. Hence, your Company would continue to expand its presence to become accessible to more and more consumers all over the Country.

The Company would continue to concentrate on the jewellery business and at the same time try to explore alternate delivery platforms like online, franchisee as well to reach to the consumers across all geographies and age groups.

Your Company has strong designing and manufacturing capabilities. It continues to augment these capabilities as it feels that with the increasing spread of branded players in the jewellery segment, these two capabilities will enable it to face the competition effectively. We also feel that improvement in overall economy with a strong government in place is expected to boost the sentiments and lead to increased consumer appetite.

I am thankful to all employees who have continued to perform in an exemplary manner and face all the increasing demands and work pressure. I also place on record my sincere appreciation to our stakeholders and bankers for supporting us and being with us at all times.

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

Yours sincerely,

Sd/-
BALRAM GARG
Managing Director

ASSOCHAM

Mr. Balram Garg, Managing Director PC Jeweller addressed the guests at the ASSOCHAM India, 2nd India Luxury Summit 2014.

Mijwan Welfare Society Show

PC Jeweller and Shabana Azmi's Mijwan Welfare Society came together for the welfare of the society's women

A star studded fashion show for the betterment of the NGO- Mijwan Welfare Society (MWS) was held at Grand Hyatt in Mumbai. MWS has been actively working for the women in Mijwan. As of today, they have 10 embroidery centres in UP, where different embroidery arts are taught.

FILMFARE AWARD 2014

The 59th Filmfare Awards marked a record fifth time of the event's partnership with PC Jeweller, jeweller for generations. And this association started in 2010 only because of Balram Garg's (MD of the Company) being an ardent movie buff.

BEST CITY AWARDS' 2014

PC Jeweller in association with ABP News, for the second time presented the 'Best City Awards' for 2014. PC Jeweller was the title sponsor of the Best City Awards and has been instrumental in bringing such an up-scale ceremony to the capital.

AWARDS

- Century International Gold Quality Era Award in the realm of customer satisfaction, leadership, strategic planning and benchmarking as established in the QC100 TQM system, by BID, Business Initiative Directions, Spain.
- Regional Retail Chain Of The Year at 9th Annual Gemfields & Nazraana Retail Jeweller India Awards 2013.
- Precious Metal Jewellery Plain (Large) Award at the 40th Indian Gem & Jewellery Awards.
- Shri Balram Garg, Managing Director of the company, received Business Sphere Award for 2012-13 for being Numero UNO in Hallmark Gold Jewellery & Certified Diamond Jewellery.

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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, Karvy Computershare Private Limited, in respect of shares held in physical form.

CORPORATE INFORMATION

Board of Directors

Chairman
Shri Padam Chand Gupta

Managing Director
Shri Balram Garg

Whole-time Director
Shri Ramesh Kumar Sharma

Independent Directors
Dr. Manohar Lal Singla
Shri Krishan Kumar Khurana
Shri Miyar Ramanath Nayak

Chief Financial Officer
Shri Sanjeev Bhatia

Company Secretary & Compliance Officer
Shri Vijay Panwar

Statutory Auditors
Walker Chandiok & Co LLP, Chartered Accountants
Firm Registration No.: 001076N/N500013

Sharad Jain Associates, Chartered Accountants
Firm Registration No.: 015201N

Internal Auditors
VGJ & Associates, Chartered Accountants
Firm Registration No.: 023431N

Registered Office
PC Jeweller Limited,
24/2708, Bank Street,
Karol Bagh,
New Delhi – 110 005
Tel: 011-4710 4810

Corporate Office
PC Jeweller Limited,
C – 54, Preet Vihar,
Vikas Marg,
Delhi – 110 092
Tel: 011-4971 4971

Registrar and Share Transfer Agent (RTA)
Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel: 040-4465 5000
E-mail: einward.ris@karvy.com

Website
www.pcjeweller.com

Corporate Identity Number
L36911DL2005PLC134929

DIRECTORS' REPORT

Dear Members,

Your directors are pleased to present their 9th Annual Report together with the audited financial statements for the financial year ended March 31, 2014.

FINANCIAL HIGHLIGHTS

The highlights of the standalone financial statements of the Company for the financial year ended March 31, 2014, are as under:

(₹ in crores, except earnings per share)

Particulars	2013-14	2012-13
Revenue from Operations	5,324.83	4,018.42
Changes in inventories of finished goods and W.I.P.	22.67	574.44
Other Income	47.23	20.21
Total Revenue	**5,394.73**	**4,613.07**
Operating Expenses	4,761.15	4,111.08
EBITDA	633.58	501.99
Depreciation & Amortisation	12.32	9.99
EBIT	621.26	492.00
Interest & Finance Cost	151.88	127.47
EBT	469.38	364.53
Tax Expense	113.07	73.87
Net Profit after Tax	**356.31**	**290.66**
Surplus in the Statement of Profit & Loss – Opening Balance	691.53	421.82
Amount available for appropriation	**1,047.84**	**712.48**
Appropriations:		
Interim Dividend	26.87	-
Proposed Equity Dividend	26.87	17.91
Dividend Distribution Tax	9.13	3.04
Transfer to General Reserves	35.63	-
Surplus in the Statement of Profit & Loss – Closing Balance	**949.34**	**691.53**
Earnings per Share:		
Basic	19.89	19.86
Diluted	19.89	19.86

BUSINESS OVERVIEW & PERFORMANCE REVIEW

Your Company is engaged in the business of manufacture, retail and export of jewellery and offers a wide range of products including gold jewellery, diamond jewellery and other jewellery including silver articles.

During the year under review, your Company has opened 11 new showrooms, taking the tally of its total number of showrooms operating under the 'PC Jeweller' brand to 41 as on March 31, 2014.

The Company is also having four jewellery manufacturing units. One unit is located at Sector – 62, Noida (U.P.), one at Selaqui Industrial Area, Dehradun (U.K.) and two units are located at Noida Special Economic Zone, Noida (U.P.).

During the year under review, despite several regulatory steps taken by the government in relation to jewellery industry for minimizing current account deficit, your Company continued its growth journey and registered an impressive increase of more than 32% in revenue from operations, which increased to ₹5,324.83 crores as against ₹4,018.42 crores in the previous year. The net profit after tax stood at ₹356.31 crores as compared to ₹290.66 crores in the previous year, representing growth of more than 22%.

The share of domestic and export sale in the revenue from operations is ₹4,002.08 crores & ₹1,322.75 crores respectively, implying that 75% of Company's revenue from operations is from domestic sale, indicating that the Company is consciously concentrating on domestic sale.

RECENT DEVELOPMENTS

After the closure of year under review your Company has opened 4 new showrooms one each at Ranchi, Guwahati, Jammu and Patna. As on the date of this Report, the Company is operating 45 showrooms under the 'PC Jeweller' brand located in 36 cities across 15 States and 1 Union Territory throughout the India.

DIVIDEND

During the year under review, your Company paid an interim dividend of ₹1.50 per equity share of face value of ₹10 each and also recommended a final dividend of ₹1.50 per equity share of face value of ₹10 each for the financial year 2013-14, subject to the approval of Members at the ensuing Annual General Meeting of the Company.

The total outgo towards dividend (including dividend distribution tax) for the year under review amounts to ₹62,86,14,135 as against ₹20,95,38,045 for the previous year.

STATUS OF UNCLAIMED / UNPAID DIVIDEND AMOUNT

Your Company at its 8th Annual General Meeting held on September 18, 2013 declared dividend of ₹1.00 per equity share. An amount of ₹1,30,208 has remained unclaimed and unpaid as on March 31, 2014 towards the same.

The Company also declared and paid an interim dividend of ₹1.50 per equity share in February, 2014. An amount of ₹87,129 has remained unclaimed and unpaid as on March 31, 2014 towards the same.

The shareholders who have not claimed their dividend are requested to contact the Company or its Registrar & Transfer Agent for claiming the same.

TRANSFER TO GENERAL RESERVE

The Company transferred ₹35.63 crores to the General Reserve out of amount available for appropriation and an amount of ₹949.35 crores is retained in the Statement of Profit and Loss on Standalone basis.

SHARE CAPITAL

During the year under review, the authorised and paid-up share capital of the Company remained unchanged.

DIRECTORS

On the recommendation of Remuneration & Compensation Committee, the Board appointed Shri Miyar Ramanath Nayak and Shri Ramesh Kumar Sharma as Additional Directors of the Company with effect from February 7, 2014. The Board has also appointed Shri Ramesh Kumar Sharma as Whole-time Director designated as Executive Director & Chief Operating Officer of the Company, with effect from February 7, 2014, for a period of 3 years, subject to the approval of Members.

In terms of Section 149 of the Companies Act, 2013 read with The Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Dr. Manohar Lal Singla, Shri Krishan Kumar Khurana and Shri Miyar Ramanath Nayak, as Independent Directors of the Company, not liable to retire by rotation, for 5 consecutive years

with effect from September 13, 2014 to September 12, 2019. These Directors have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has received requisite notices in writing from Member(s) proposing the appointment of above-said persons as directors of the Company.

Shri Padam Chand Gupta, Chairman of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The brief resumes of aforesaid directors form part of the notice convening the Annual General Meeting.

SUBSIDIARY COMPANIES

As on March 31, 2014, your Company has only one non-material Indian subsidiary company namely 'PC Universal Private Limited'.

In accordance with the General Circular No. 2/2011 dated February 8, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company for the year ended March 31, 2014, are not being attached with the Balance Sheet of the Company. The statement pursuant to Section 212(8) of the Companies Act, 1956, containing brief financial details of PC Universal Private Limited for the year ended March 31, 2014, forms part of this Annual Report.

The financial statements of the subsidiary company, along with related information will be made available to the Members of the Company upon request and are also available for their inspection at the Company's Corporate Office.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiary PC Universal Private Limited, prepared in accordance with Accounting Standards AS-21 "Consolidated Financial Statements" notified pursuant to the Companies (Accounting Standard) Rules, 2006, form part of this Annual Report.

PARTICULARS OF EMPLOYEES

The statement of particulars of employees of the Company pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is attached as Annexure-1 to this report.

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

A. CONSERVATION OF ENERGY

The disclosure of particulars with respect to conservation of energy pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to your Company. However, the Company makes its best efforts for conservation of energy.

B. TECHNOLOGY ABSORPTION

The Company has not carried out any research and development activities. Accordingly, the information related to technology absorption is not applicable to your Company.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

During the year under review, your Company's foreign exchange earnings and outgo are as under:

Foreign Exchange Earnings : ₹1,323.65 crore

Foreign Exchange Outgo : ₹1.25 crore

FIXED DEPOSITS

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

AUDITORS

M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) and M/s Sharad Jain Associates, Chartered Accountants (Firm Registration No. 015201N), Joint Statutory Auditors of the Company, are retiring at the conclusion of the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. The Company has received their consent letters and certificates to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and that they are not disqualified from being appointed as the Joint Statutory Auditors of the Company.

AUDITORS' REPORT

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

COST AUDITOR

The Board of Directors of your Company has appointed M/s M K Singhal & Co., Cost Accountants (Firm Registration No. 00074) as the Cost Auditor to conduct audit of Company's cost accounting records for the financial year ending March 31, 2015, on the recommendations made by the Audit Committee. The remuneration proposed to be paid to them, subject to the ratification by the Members at the ensuing Annual General Meeting, would be ₹2,00,000 plus service tax.

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE REPORT

Your Company believes in the principle of corporate governance and is committed to maintain the highest standards of Corporate Governance. The detailed report on Corporate Governance in terms of Clause 49 of the Listing Agreement with Stock Exchanges forms part of this Annual Report. The Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached as Annexure-2 to this report.

EMPLOYEES STOCK OPTION PLAN

Your Company vide special resolution passed in its 8th Annual General Meeting held on September 18, 2013, ratified '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, till date no options have been granted by the Company.

AWARDS

During the year under review, your Company won following awards:

- 'Century International Gold Quality Era Award' in the realm of customer satisfaction, leadership, strategic planning and benchmarking as established in the QC100 TQM system, by BID, Business Initiative Directions, Spain;
- 'Precious Metal Jewellery Plain (Large)' award at the 40th Indian Gem and Jewellery Awards;
- 'Regional Retail Chain of the Year' at 9th Annual Gemfields & Nazraana Retail Jeweller India Awards 2013;

Shri Balram Garg, Managing Director of the Company, received Business Sphere award for 2012-13 for being Numero Uno in Hallmark Gold Jewellery & Certified Diamond Jewellery.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed and there are no material departures from the applicable accounting standards;
- the accounting policies have been selected and applied 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 as on March 31, 2014 and of the profit of the Company for the year ended on that date;
- 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 wish to thank all the shareholders, promoters, bankers, vendors, customers and government departments / agencies for their continued support. The directors also place on record their appreciation for the contribution made by the employees of the Company at all levels.

For and on behalf of the Board

Sd/-
(PADAM CHAND GUPTA)
Chairman
DIN: 00032794

Date: July 28, 2014
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	:	Shri Balram Garg
Designation	:	Managing Director
Nature of duties	:	General Management
Qualifications	:	B.Com.
Age	:	44 years
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 Shri 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	:	25 years
Remuneration	:	₹6,00,00,000
Previous employment	:	N.A.
Equity Shares held	:	37.38%

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
DIN: 00032794

Date: July 28, 2014
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 ("the Company"), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as 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 18, 2014
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS

(I) INDUSTRY STRUCTURE AND DEVELOPMENTS

The gems & jewellery sector is one of the most important sectors of the Indian economy and has also been one of the fastest growing sectors in the past few years. This sector is highly export oriented, labour intensive and a major contributor to employment, GDP & foreign exchange earnings.

The gems & jewellery industry can be segmented into domestic and exports. CRISIL Research estimates the total industry size at ₹4687 billion for 2013-14, with the domestic market having the dominant share of approx ₹2524 billion.

The demand in India can be divided into consumption demand and investment demand. The consumption demand is driven mainly by weddings and wedding related occasions as well as gifting and daily wear. The investment demand is also very high and is mainly driven by a lack of alternative financial instruments for a large section of the society.

The Gems & jewellery industry sector is a significant contributor to India's foreign exchange earnings. Exports of gems & jewellery comprise of cut & polished diamonds, jewellery coins & medallions as well as precious and semi precious stones.

As a part of its objective of controlling Current Account Deficit, the Government has undertaken several regulatory steps during the past two years to restrict the gold imports in the country. This included hiking the custom duty from 1% to 10% as well as withdrawing the existing gold import schemes and introducing 20:80 scheme in their place. The government also withdrew the gold lease scheme for gold procurement for domestic operations. These regulatory actions not only caused a gold scarcity in the country and hence artificially increased the premiums but also increased the differential between domestic prices and the international prices.

However, the situation has started improving now with the government permitting more entities to import gold under the 20:80 scheme. The curb on the gold lease scheme has also been removed.

(II) PRODUCT WISE PERFORMANCE

The Company is engaged in jewellery business. However, the jewellery has three subsets consisting of gold, diamond & others. Though gold jewellery continues to be the dominant component, the Company has been focussing on diamond jewellery, as the consumer demand for diamond jewellery is increasing every year and diamond jewellery is a high value addition item vis a vis gold jewellery.

The Company has been able to increase the share of diamond jewellery in its domestic sales from 17.9% during financial year 2009-10 to 30.8% during financial year 2012-13. However, due to sharp correction in gold prices during the first quarter of the year under review, consumers were attracted more towards purchase of gold jewellery as compared to diamond jewellery, resulting into fall in the share of diamond jewellery of the Company to 26.4%. Also the Company opened three new showrooms in the Southern part of the country where the demand for gold jewellery is traditionally high vis a vis diamond jewellery.

The Company however, continues its focus on diamond jewellery by bringing out new ranges and varieties at regular intervals. It is also setting up an e-commerce vertical with complete focus on diamond jewellery and competitive prices to attract customers even where its showrooms are not present.

(III) OPPORTUNITY AND THREATS

The retail jewellery industry in the country is still dominated by unorganized sector. This provides organized branded players huge potential to expand. However, the industry continues to face several challenges, some of which are:

(a) Limited availability of high end real estate.

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

(c) Availability of trained retail staff.

(d) Regulatory issues.

As against these challenges the industry can take advantages of the following opportunities:

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

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

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

(d) Growing consciousness of Brand amongst consumers and willingness to pay a premium for quality and variety.

(IV) OUTLOOK

The Indian gems & jewellery industry remains highly fragmented with consumers typically purchasing from their family jewellers only. However, the consumer buying patterns and trends are changing fast with an increasing preference for branded players due to their quality certification and wide variety and range.

While there are multiple types of retailers, they differ from each other in terms of their value proposition to the consumer. The key purchase criteria for a jewellery consumer are trust, range, price, design, quality, brand image, location, and services.

The organized sector has already penetrated metros to a very large extent and we believe that it is the Tier-I and Tier-II towns which will drive growth for the branded gold jewellery retailers over the medium term. The demand for gold jewellery in these centres is strong and growing, buoyed by increasing affluence and preference for branded jewellery. Your Company is also expanding fast in these locations.

(V) RISK AND CONCERNS

Your Company has put into place a detailed Risk Management Policy as well as Forex Risk Management Policy. It has tried to identify the various types of risks and integrate risk management activities at all levels in the Company. This includes monitoring all areas of operations including financial transactions continuously.

The Company is dealing with high value items and hence has put in place strong systems & procedures to prevent pilferage & theft. It also ensures that its entire inventory, including goods under transit is fully insured at all times.

The Company has a strong system of internal audit which not only inspects & audits all its showrooms at regular intervals but also reviews the processes, operational procedures as well as financial disclosures & statements.

(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 enterprise.

Your Company has an adequate system of internal control relating to purchase of raw materials as well as other 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 an effective Budgetary Control System. The Management reviews the actual performance with reference to budgets periodically.

The Company has an Audit Committee which has met six times during the year. Audit Committee among others reviews the adequacy and effectiveness of the internal control, monitors implementation of internal audit recommendations and overseeing quarterly/annual financial results.

(VII) FINANCIAL PERFORMANCE

The Generally Accepted Accounting Principles (GAAP) are followed by the company. The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable.

The salient parameters of the financial performance of the Company during the year under review are as under:

(₹ In Crores)

Particulars	2013-14	2012-13
Revenue from Operations	5324.83	4018.42
Total Revenue	5394.73	4613.07
Total Expenses	4925.35	4248.54
Profit before Tax	469.38	364.53
Tax Expense	113.07	73.87
Net Profit after Tax	356.31	290.66

(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 acknowledges that our major asset is its employees. The expertise of the management team, the professional training provided to the staff, their personal commitment and their spirit of teamwork together enhance the Company's net worth. The Company has taken various steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving their productivity and accountability at functional levels. The Company has engaged Aon Hewitt to advise on further strengthening the HR Systems and Process.

Ongoing in house and external training is provided to the employees of the Company at all levels to update their knowledge and upgrade their skills and abilities. The effort to rationalize and streamline the work force is a continuous process. As on March 31, 2014, the Company had 2193 full time employees. The industrial relations scenario remained harmonious throughout the year.

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.

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance aims at attaining the highest levels of transparency and accountability towards its stakeholders - including shareholders, employees, the Government, the lenders and the society. Your Company believes in the principle of corporate governance and is committed to maintain the highest standards of Corporate Governance.

2. BOARD OF DIRECTORS

I) COMPOSITION OF THE BOARD

The Company's Board of Directors ("Board") comprises of six directors. Besides the Chairman, who is a Non-Executive Promoter Director, the Board comprises of two Executive Directors and three Non-Executive Independent Directors. The composition of the Board of the Company is in conformity with Clause 49 of the Listing Agreement, as the Board has an optimum combination of Executive and Non-Executive Directors with not less than fifty percent of the Board comprising of Non-Executive Directors and fifty percent of the Board comprising of Independent Directors. The Independent Directors are professionals with high credentials.

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

Name of Director	Category	No. of outside directorships	No. of outside Committee Memberships / Chairmanships*	
			Member	Chairman
Shri Padam Chand Gupta	Promoter Non-Executive Director	Nil	Nil	Nil
Shri Balram Garg	Promoter Executive Director	Nil	Nil	Nil
Shri Ramesh Kumar Sharma	Executive Director	Nil	Nil	Nil
Dr. Manohar Lal Singla	Independent Non-Executive Director	Nil	Nil	Nil
Shri Krishan Kumar Khurana	Independent Non-Executive Director	Nil	Nil	Nil
Shri Miyar Ramanath Nayak	Independent Non-Executive Director	1	Nil	Nil

*Memberships / Chairmanships of only Audit Committee and Shareholders'/Investors' Grievance Committee are considered.

II) BOARD MEETINGS

During the year eight board meetings were held on May 20, 2013; June 19, 2013; July 25, 2013; August 7, 2013; September 26, 2013; November 11, 2013; January 20, 2014 and February 7, 2014. The details of attendance of directors at the board meetings held during the year and at the last Annual General Meeting of the Company, are as under:

Name of Director	Designation	No. of Board meetings attended	Attendance at last AGM held on September 18, 2013
Shri Padam Chand Gupta	Chairman	7	Yes
Shri Balram Garg	Managing Director	7	Yes

Name of Director	Designation	No. of Board meetings attended	Attendance at last AGM held on September 18, 2013
Shri Ramesh Kumar Sharma*	Executive Director & Chief Operating Officer	Nil	N.A.
Dr. Manohar Lal Singla	Director	7	Yes
Shri Krishan Kumar Khurana	Director	7	Yes
Shri Miyar Ramanath Nayak**	Director	Nil	N.A.

*Shri Ramesh Kumar Sharma was appointed as an Additional Director with effect from February 7, 2014. He was also appointed as a Whole-time Director, subject to the approval of Members, at the same meeting.

**Shri Miyar Ramanath Nayak was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from February 7, 2014.

The directors of the Company are provided with all the informations and details required for taking informed decisions at the Board meetings. The informations stipulated under Annexure IA to Clause 49 of the Listing Agreement are regularly provided to the Board.

III) DETAILS OF REMUNERATION OF DIRECTORS

The Non-Executive and Independent Directors are paid sitting fee @₹5,000 for attending each meeting of the Board and @₹2,000 for attending each meeting of any of the Committees thereof during the financial year ended March 31, 2014. With effect from April 1, 2014, the sitting fees payable to the Non-Executive and Independent Directors have been increased to ₹10,000 & ₹5,000 respectively, for attending each meeting of the Board and any of the Committees thereof.

The details of remuneration paid to the directors for the financial year 2013-14, are as under:

Name of Director	Gross Salary (₹)	Sitting Fee (₹)	Commission (₹)	Total (₹)
Shri Padam Chand Gupta	Nil	*1,03,000	Nil	*1,03,000
Shri Balram Garg	6,00,00,000	Nil	Nil	6,00,00,000
Shri Ramesh Kumar Sharma	**27,30,000	Nil	Nil	**27,30,000
Dr. Manohar Lal Singla	Nil	53,000	Nil	53,000
Shri Krishan Kumar Khurana	Nil	67,000	Nil	67,000
Shri Miyar Ramanath Nayak	Nil	Nil	Nil	Nil

* Including sitting fee received for one committee meeting held during financial year 2012-13.

** Including salary amounting to ₹23,55,000 received in the capacity of Chief Operating Officer for the period April 1, 2013 to February 6, 2014.

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

IV) SHAREHOLDINGS OF DIRECTORS

The shareholdings of the directors of the Company as on March 31, 2014, is as under:

Name of Director	Number of Equity Shares
Shri Padam Chand Gupta	5,03,71,800
Shri Balram Garg	6,69,51,050
Shri Ramesh Kumar Sharma	5,500

Dr. Manohar Lal Singla	Nil
Shri Krishan Kumar Khurana	Nil
Shri Miyar Ramanath Nayak	Nil

V) RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Except the promoter directors i.e. Shri Padam Chand Gupta and Shri Balram Garg, being brothers, none of the directors are related to each other.

VI) CODE OF CONDUCT

As required under Clause 49 of the Listing Agreement, the Board laid down a Code of Conduct for Directors and Senior Management Personnel of the Company. This Code is posted on the Company's website www.pcjeweller.com. All Directors and Senior Management Personnel affirmed compliance with the Code and declaration to that effect by Shri Balram Garg, Managing Director, is attached to this report.

3. COMMITTEES OF THE BOARD OF DIRECTORS

I) AUDIT COMMITTEE

COMPOSITION, MEETINGS AND ATTENDANCE

The composition of the Audit Committee as on March 31, 2014, is as under:

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

The Company Secretary acts as the Secretary to the committee.

During the year six Audit Committee meetings were held on May 20, 2013; June 19, 2013; July 25, 2013; August 7, 2013; November 11, 2013 and February 7, 2014. 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
Shri Krishan Kumar Khurana	6	6
Shri Balram Garg	6	5

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.

Dr. Manohar Lal Singla, Chairman of the Audit Committee attended last Annual General Meeting of the Company held on September 18, 2013.

II) REMUNERATION & COMPENSATION COMMITTEE

COMPOSITION, MEETINGS AND ATTENDANCE

The composition of the Remuneration & Compensation Committee as on March 31, 2014, is as under:

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

The Company Secretary acts as the Secretary to the committee.

During the year two Remuneration & Compensation Committee meetings were held on July 25, 2013 and February 7, 2014. The attendance of the members at the meeting was as under:

Name of Members	No. of meetings held	No. of meetings attended
Shri Krishan Kumar Khurana	2	2
Dr. Manohar Lal Singla	2	2
Shri Padam Chand Gupta	2	1

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.

III) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

COMPOSITION, MEETINGS AND ATTENDANCE

The composition of the Shareholders' / Investors' Grievance Committee as on March 31, 2014, is as under:

1. Shri Padam Chand Gupta : Non-Executive Director (Chairman)
2. Shri Balram Garg : Managing Director (Member)
3. Shri Krishan Kumar Khurana : Non-Executive Independent Director (Member)

Shri Vijay Panwar, Company Secretary is the Compliance Officer.

During the year eighteen Shareholders' / Investors' Grievance Committee meetings were held on May 4, 2013; May 16, 2013; May 29, 2013; June 19, 2013; July 3, 2013; July 13, 2013; July 25, 2013; August 7, 2013; August 20, 2013; August 28, 2013; September 11, 2013; September 26, 2013; October 22, 2013; December 10, 2013; December 28, 2013; January 20, 2014; January 31, 2014 and March 25, 2014. The attendance of the members at the meetings was as under:

Name of Members	No. of meetings held	No. of meetings attended
Shri Padam Chand Gupta	18	18
Shri Balram Garg	18	17
Shri Krishan Kumar Khurana	18	7

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.

DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS RECEIVED, RESOLVED AND PENDING DURING 2013-14:

Complaints pending at the beginning	Number of complaints received during 2013-14	Complaints resolved during the year 2013-14	Complaints pending at the end of the year i.e. March 31, 2014
Nil	284	284	Nil

IV) SELECTION COMMITTEE

COMPOSITION, MEETINGS & ATTENDANCE

The Composition of the Selection Committee as on March 31, 2014, is as under:

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

An outside expert will also be part of the Committee.

The Company Secretary acts as the Secretary to the committee.

During the year one Selection Committee meeting was held on July 25, 2013. The attendance of the members at the meeting was as under:

Name of Members	No. of meetings held	No. of meetings attended
Shri Krishan Kumar Khurana	1	1
Dr. Manohar Lal Singla	1	1
Shri Balram Garg	1	1

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.

V) MANAGEMENT & FINANCE COMMITTEE

COMPOSITION, MEETINGS & ATTENDANCE

The Composition of the Management & Finance Committee (Formerly known as General Purposes Committee) as on March 31, 2014, is as under:

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

The Company Secretary acts as the Secretary to the committee.

The Management & Finance Committee of the Board has been set up inter-alia to take care of routine matters that arise in the normal course of business including opening, closing and operating bank accounts, borrowing and availing credit facilities, obtaining registrations / licenses, signing and execution of agreements etc.

During the year thirteen Management & Finance Committee meetings were held on April 6, 2013; June 10, 2013; July 26, 2013; August 12, 2013; August 31, 2013; October 7, 2013; October 28, 2013; November 12, 2013; December 2, 2013; January 10, 2014; February 11, 2014; February 28, 2014 and March 25, 2014. The attendance of the members at the meetings was as under:

Name of Members	No. of meetings held	No. of meetings attended
Shri Padam Chand Gupta	13	13
Shri Balram Garg	13	13

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
2012-13	September 18, 2013 3:00 P.M.	Air Force Auditorium, Subroto Park, New Delhi-110 010	1) Re-appointment of Shri Sachin Gupta, as President (Gold Manufacturing). 2) Re-appointment of Shri Nitin Gupta, as President (Diamond Manufacturing). 3) Ratification of PC Jeweller Limited Employee Stock Option Plan 2011. 4) Approval for varying the terms referred to in the Prospectus dated December 16, 2012.
2011-12	September 25, 2012 11:00 A.M.	24/2708, Bank Street, Karol Bagh, New Delhi-110 005	1) Approval for 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 A.M.	24/2708, Bank Street, Karol Bagh, New Delhi-110 005	1) Approval for Issue of Bonus Shares. 2) Approval for 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.

II) POSTAL BALLOT

During the year no resolutions were passed through postal ballot.

RESOLUTIONS PROPOSED TO BE PASSED THROUGH POSTAL BALLOT

The Company is in the process of getting following Special Resolutions passed through Postal Ballot:

1) To authorise the Board of Directors to borrow money in excess of aggregate of the paid up share capital of the Company and its free reserves but not exceeding ₹ 6,000 crores.
2) To authorise the Board of Directors to create charges, mortgages etc. in respect of aforesaid borrowings.
3) To authorise the Board of Directors to vary the terms of contracts or objects in Prospectus dated December 16, 2012.

PROCEDURE FOR CONDUCTING POSTAL BALLOT

The Postal Ballot is being conducted in accordance with Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force).

5. SUBSIDIARY COMPANIES

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

I) DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions during the financial year ended March 31, 2014, which 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.

II) DISCLOSURE OF ACCOUNTING TREATMENT

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.

(III) PROCEEDS FROM PUBLIC ISSUES

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

IV) DETAILS OF NON-COMPLIANCE ETC. BY THE COMPANY

No penalty or stricture was imposed on the Company by any Stock Exchange or Securities Exchange Board of India or any statutory authority on any matter related to capital markets, for non-compliance by the Company.

V) DETAILS OF COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Company is complying with all the mandatory requirements of Clause 49 and submitting quarterly compliance report to the Stock Exchanges within prescribed time.

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 Chairman of the Company is a Non-Executive director.

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

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

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

VI) INSIDER TRADING

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted Code of Conduct for Prohibition of Insider Trading. The purpose of this Code is to prevent misuse of Unpublished Price Sensitive information, by those who may reasonably have access to such information of the Company. The Code lays down procedures to be followed and disclosures to be made by the Officers and Designated Employees of the Company, while dealing in the shares of the Company.

VII) STATUS OF UNCLAIMED / UNPAID IPO REFUND AMOUNT

As on March 31, 2014, ₹2,39,845 were lying as unclaimed in the Company's IPO Refund account. The applicants of the IPO, who have not claimed their refund amount, are requested to contact the Company or its Registrar & Transfer Agent for claiming the same.

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 unclaimed suspense account lying at the beginning of the year	2	180
2	Number of shareholders who approached issuer for transfer of shares from unclaimed suspense account during the year	2	180
3	Number of shareholders to whom shares were transferred from unclaimed suspense account during the year	2	180
4	Aggregate number of shareholders and the outstanding shares in the unclaimed suspense account lying at the end of the year	0	0

The voting rights on these equity shares were frozen till the rightful owner of such shares claimed the shares.

8. CEO / CFO CERTIFICATION

The Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended March 31, 2014 and the same is annexed hereto.

9. MEANS OF COMMUNICATION

Financial results - The quarterly and annual financial results of the Company are published in leading newspapers one in English daily circulating in the whole or substantially the whole of India and in one Hindi daily newspaper.

Company's Website – Important shareholders' information such as financial results, shareholding pattern, annual report, 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.

10. GENERAL SHAREHOLDER INFORMATION

I) ANNUAL GENERAL MEETING

Day & date : Saturday, September 13, 2014

Time : 3:30 P.M.

Venue : Air Force Auditorium, Subroto Park, New Delhi – 110 010

II) FINANCIAL YEAR

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

FINANCIAL CALENDAR FOR 2014-15 (TENTATIVE)

Results for the quarter ending June 30, 2014	:	On or before August 15, 2014
Results for the quarter / half year ending September 30, 2014	:	On or before November 15, 2014
Results for the quarter ending December 31, 2014	:	On or before February 15, 2015
Results for the quarter / year ending March 31, 2015	:	On or before May 30, 2015
Annual General Meeting for the year ending March 31, 2015	:	August / September, 2015

III) DATES OF BOOK CLOSURE

September 6, 2014 to September 13, 2014 (both days inclusive).

IV) DIVIDEND PAYMENT DATE

The Company declared and paid an interim dividend of ₹1.50 per equity share of ₹10 each in February, 2014. The Board of Directors of the Company have recommended payment of final dividend of ₹1.50 per equity share of ₹10 each (i.e. @ 15%) for the financial year ended March 31, 2014, subject to the approval of the Members at the ensuing Annual General Meeting. The final dividend, if approved, shall be paid within 30 days from the date of declaration. Together with Interim Dividend of ₹1.50 per equity share, the total dividend for the year works out to ₹3.00 per equity share of face value of ₹10 each.

V) LISTING ON STOCK EXCHANGES & STOCK CODES

The equity shares of the Company are listed on following stock exchanges:

Name of the Stock Exchange	Stock Code
BSE Limited (BSE)	534809
National Stock Exchange of India Limited (NSE)	PCJEWELLER

The Company has already paid the listing fee for the financial year 2014-15, to both the exchanges.

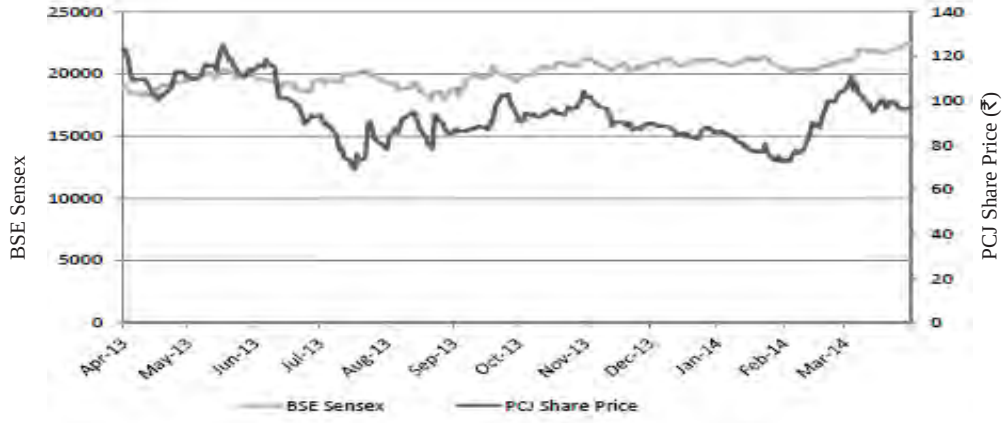
VI) MARKET PRICE DATA

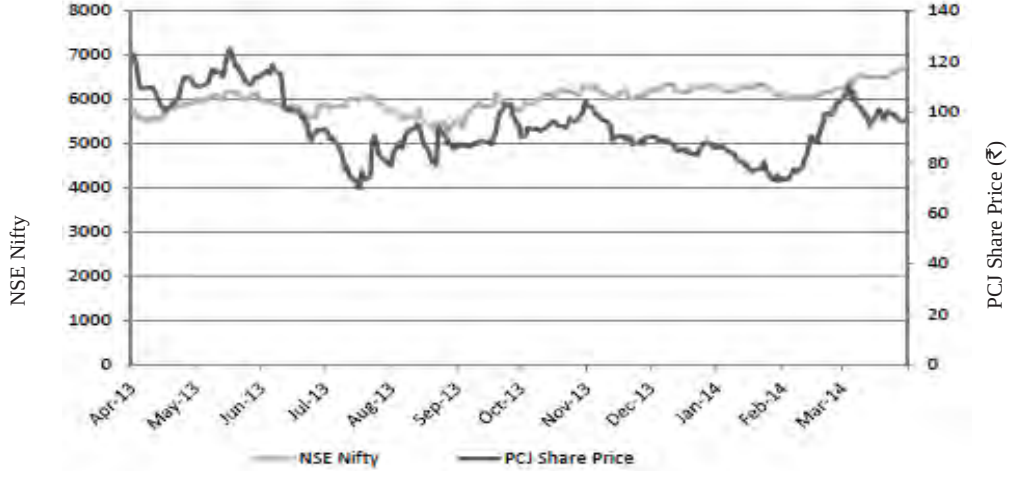
The monthly high & low share prices during the year, are as under:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	125.50	97.00	126.00	96.20
May, 2013	125.75	109.00	125.95	108.80
June, 2013	120.45	83.00	120.60	81.80
July, 2013	97.85	65.95	97.90	63.00

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
August, 2013	100.60	76.00	101.00	76.50
September, 2013	108.80	85.10	109.00	85.40
October, 2013	105.70	89.65	105.80	88.60
November, 2013	107.40	86.00	107.00	85.75
December, 2013	91.35	82.40	91.55	82.10
January, 2014	89.80	71.70	90.00	72.00
February, 2014	105.15	71.50	105.30	72.00
March, 2014	113.20	92.75	113.50	93.50

VII) PERFORMANCE IN COMPARISON TO BROAD – BASED INDICES





VIII) REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited
Plot No. 17 to 24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081
Tel: 040-44655000
Fax: 040-23431551
E-mail: einward.ris@karvy.com

IX) 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.

In terms of Clause 47(c) of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

X) DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the Company as on March 31, 2014, is as under:

Nominal value of shareholding (₹)	Shareholders		Shares	
	Number	As a % of total	Number	As a % of total
Up to 5,000	28,614	95.63	26,23,207	1.47
5,001- 10,000	605	2.02	4,69,974	0.26
10,001- 20,000	373	1.25	5,41,075	0.30
20,001- 30,000	95	0.32	2,30,369	0.13
30,001- 40,000	34	0.11	1,23,308	0.07
40,001- 50,000	25	0.08	1,16,372	0.06
50,001- 1,00,000	39	0.13	2,77,018	0.16
1,00,001 & above	137	0.46	17,47,18,677	97.55
Total	**29,922**	**100.00**	**17,91,00,000**	**100.00**

SHAREHOLDING PATTERN

The shareholding pattern of the Company as on March 31, 2014, is as under:

Category of Shareholders	Number of Shares	% of Shares
Promoter & Promoter Group	12,63,52,850	70.55
Foreign Institutional Investors/Non Resident Indians/Qualified Foreign Investor	2,35,92,159	13.17
Bodies Corporates	1,28,36,818	7.17
Resident Individuals / HUF	1,06,08,193	5.92
Mutual Funds / Indian Financial Institutions / Banks	53,57,076	2.99
Trusts	1,88,700	0.11
Clearing Members	1,64,204	0.09
Total	**17,91,00,000**	**100.00**

XI) 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. National Securities Depository Limited & Central Depository Services (India) Limited. A total number of 17,90,99,257 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, 2014. The ISIN of the equity shares of the Company is INE785M01013.

XII) 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, 2014, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

XIII) PLANT LOCATIONS

As on March 31, 2014, your Company is having four jewellery manufacturing units, at the following locations:

1. 65, Noida Special Economic Zone, Noida (Uttar Pradesh)
2. 142A/3, Noida Special Economic Zone, Noida (Uttar Pradesh)
3. J-59, Sector-63, Noida (Uttar Pradesh)
4. F-50, Selaqui, Dehradun (Uttarakhand)

XIV) ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE
PC Jeweller Limited
24/2708, Bank Street, Karol Bagh,
New Delhi – 110 005
Tel: 011-47104810
Fax: 011-28720811
E-mail: investors@pcjewellers.com
Website: www.pcjeweller.com

CORPORATE OFFICE
PC Jeweller Limited
C-54, Preet Vihar,
Delhi – 110 092
Tel: 011-49714971
Fax: 011-49714972

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, 2014.

For **PC Jeweller Limited**,

Sd/-

Date: May 15, 2014
Place: New Delhi

(**BALRAM GARG**)
Managing Director
DIN: 00032083

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, Chief Financial Officer of PC Jeweller Limited ('the Company'), hereby certify that in respect of the financial year ended on March 31, 2014:

(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) there have been no instances of fraud of which we have become aware.

For **PC Jeweller Limited**,

Sd/- (**SANJEEV BHATIA**) Chief Financial Officer

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

Date: May 22, 2014
Place: New Delhi

INDEPENDENT AUDITORS' REPORT

To the Members of PC Jeweller Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of PC Jeweller Limited, (the 'Company'), which comprise the Balance Sheet as at 31 March 2014, 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 notified under the Companies Act, 1956 (the 'Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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 31 March 2014;
   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 notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
   e. on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 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 LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N

Sd/-
per **David Jones**
Partner
Membership No. 98113

Place: New Delhi
Date: 22 May 2014

For Sharad Jain Associates
Chartered Accountants
Firm Registration No. 015201N

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

Place: New Delhi
Date: 22 May 2014

Annexure to the Independent Auditors' Report of even date to the members of PC Jeweller Limited on the financial statements for the year ended 31 March 2014

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) Owing to the nature of its business, the Company does not sell any services. Accordingly, clause 4(iv) of the Order with respect to sale of services is not applicable. 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.

(b) The dues outstanding in respect of income-tax, sales tax, wealth tax, service tax, custom duty, 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
Income tax Act 1961	Income- tax	3,817,460	-	Previous year 2010-2011	Commissioner of Income Tax (Appeals)

(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) In our opinion, the Company has not defaulted in repayment of dues to any bank during the year. 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 are not applicable with respect to financial institution or debenture-holders.

(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 /and 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) The Company has not raised any money by public issues during the year. The management of the Company has disclosed the end use of monies raised by public issue in the previous year, in the current year financial statements and the same has been verified by us.

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

For Walker, Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N

sd/-
per **David Jones**
Partner
Membership No. 98113

Place: New Delhi
Date: 22 May 2014

For Sharad Jain Associates
Chartered Accountants
Firm Registration No. 015201N

sd/-
per **Sharad Jain**
Partner
Membership No. 83837

Place: New Delhi
Date: 22 May 2014

BALANCE SHEET AS AT 31 MARCH 2014

	Notes	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,791,000,000	1,791,000,000
Reserves and surplus	4	15,031,579,287	12,097,060,342
		16,822,579,287	**13,888,060,342**
Non current liabilities			
Long term borrowings	5	4,131,309	11,994,665
Long term provisions	6	17,701,152	12,436,107
		21,832,461	**24,430,772**
Current liabilities			
Short term borrowings	5	10,029,942,600	2,309,259,492
Trade payables	7	12,841,215,083	16,250,433,192
Other current liabilities	8	1,635,640,026	1,322,468,039
Short term provisions	6	974,314,086	557,307,038
		25,481,111,795	**20,439,467,761**
		42,325,523,543	**34,351,958,875**
Assets			
Non current assets			
Fixed assets			
Tangible assets	9	839,291,465	627,623,854
Intangible assets under development		10,968,238	10,375,862
Non current investments	10	500,000	500,000
Deferred tax assets (net)	11	107,313,572	50,058,491
Long term loans and advances	12	875,886,495	800,284,077
Other non current asset	13	91,860,936	147,881,149
		1,925,820,706	**1,636,723,433**
Current assets			
Current investment	14	1,849,466,382	4,428,839,877
Inventories	15	23,771,289,597	17,137,026,910
Trade receivables	16	6,232,217,071	6,747,826,109
Cash and bank balances	17	3,300,886,494	2,648,562,357
Short term loans and advances	12	5,167,655,427	1,699,834,459
Other current assets	18	78,187,866	53,145,730
		40,399,702,837	**32,715,235,442**
		42,325,523,543	**34,351,958,875**

Notes 1 to 39 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	Chief Financial officer	Chairman	Managing Director
		DIN-00032794	DIN-00032083

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

for **Sharad Jain Associates**
Chartered Accountants

Sd/-
per **Sharad Jain**
Partner

for **Walker, Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **David Jones**
Partner

Place : New Delhi
Date : 22 May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Year ended 31 March 2014	Year ended 31 March 2013
		₹	₹
Revenue			
Revenue from operations	**20**	53,248,290,921	40,184,193,574
Changes in inventories of finished goods and work-in-progress	**21**	226,682,963	5,744,435,295
Other income	**22**	472,353,723	202,066,305
Total revenue		**53,947,327,607**	**46,130,695,174**
Expenses			
Cost of materials consumed	**23**	44,996,795,818	39,347,741,561
Purchases of traded goods	**24**	11,397,197	19,457,843
Employee benefit expense	**25**	447,406,416	353,046,458
Finance costs	**26**	1,518,775,433	1,274,654,539
Depreciation and amortisation expense	**9**	123,177,622	99,885,008
Other expenses	**27**	2,041,543,070	1,383,768,617
Prior period items	**28**	114,405,105	6,811,698
Total expenses		**49,253,500,661**	**42,485,365,724**
Profit before tax		4,693,826,946	3,645,329,450
Tax expense:			
Current tax		1,187,948,947	784,553,181
Deferred tax		(23,132,475)	(45,839,538)
Deferred tax - earlier years		(34,122,606)	-
Profit for the year		**3,563,133,080**	**2,906,615,807**
Earnings per equity share (₹)	**29**		
- Basic		19.89	19.86
- Diluted		19.89	19.86

Notes 1 to 39 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	Chief Financial officer	Chairman DIN-00032794	Managing Director DIN-00032083

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

for **Sharad Jain Associates**
Chartered Accountants

Sd/-
per **Sharad Jain**
Partner

for **Walker, Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **David Jones**
Partner

Place : New Delhi
Date : 22 May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

		As at 31 March 2014	As at 31 March 2013
		₹	₹
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	4,693,826,946	3,645,329,450
	Adjustments for:		
	Depreciation and amortisation expense	123,177,622	99,885,008
	Unrealised foreign exchange (gain)	(866,953,171)	(180,385,402)
	Net loss/(profit)on disposal of fixed assets	8,986,259	(29,984)
	Dividend income	(184,429,427)	(82,597,400)
	Profit on disposal of investment	-	(2,260,000)
	Interest income on fixed deposit	(276,973,262)	(105,129,704)
	Interest income on loan given	(8,958,557)	(9,054,817)
	Interest expense	1,233,314,280	948,604,344
	Provision for gratuity	5,537,260	6,884,893
	Operating profit before working capital changes	**4,727,527,950**	**4,321,246,388**
	Adjustments for:		
	(Increase) in inventories	(6,634,262,687)	(5,412,933,193)
	Decrease in trade receivable	365,388,630	171,694,418
	(Increase) in loans and advances	(2,879,775,019)	(1,284,835,782)
	(Increase)/decrease in current liabilities	(2,799,248,194)	8,110,168,345
	Cash generated (used in)/from operating activities	**(7,220,369,320)**	**5,905,340,176**
	Direct taxes paid	876,255,351	709,354,600
	Net cash generated (used in)/from operating activities	**(8,096,624,671)**	**5,195,985,576**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchases of fixed assets including capital advances and movement in intangible assets under development	(281,132,699)	(236,736,212)
	Proceeds from disposal of fixed assets	1,510,011	1,491,572
	Proceeds from disposal of investment	-	2,360,000
	Investment in shares of subsidiary	-	(500,000)
	Investment in mutual fund	2,579,373,495	(4,428,839,877)
	Dividend income	184,429,427	82,597,400
	Loan recovered from other corporate bodies	-	4,895,337
	Interest received	260,889,683	83,302,581
	Movement in fixed deposits	(283,209,734)	(1,338,769,151)
	Net cash from/(used in) investing activities	**2,461,860,183**	**(5,830,198,350)**

	As at 31 March 2014	As at 31 March 2013
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares including securities premium	-	6,013,078,890
Repayment of long term loans	(7,863,356)	(10,096,311)
Short term borrowings, net	7,720,683,108	(3,441,892,894)
Dividends paid including dividend distribution tax	(523,627,776)	-
Share application money refunded	(982,800)	-
Share issue expenses	-	(323,656,950)
Interest paid	(1,240,350,498)	(917,966,297)
Net cash generated from financing activities	**5,947,858,678**	**1,319,466,438**
Net increase in cash and cash equivalents (A+B+C)	**313,094,190**	**685,253,664**
Opening cash and cash equivalents	798,237,998	112,984,334
Closing cash and cash equivalents*	1,111,332,188	798,237,998
	313,094,190	**685,253,664**
*** Reconciliation of cash and cash equivalents**		
Cash in hand	40,872,695	550,736,447
Cheques in hand	4,228,991	966,111
Bank balances	1,066,230,502	246,535,440
	1,111,332,188	**798,237,998**

Notes 1 to 39 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	Chief Financial officer	Chairman	Managing Director
		DIN-00032794	DIN-00032083

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

for **Sharad Jain Associates**
Chartered Accountants

Sd/-
per **Sharad Jain**
Partner

for **Walker, Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **David Jones**
Partner

Place : New Delhi
Date : 22 May, 2014

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

1. COMPANY OVERVIEW

PC Jeweller Limited (the 'Company') was incorporated on 13 April 2005. The Company is engaged in the business of manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items. The 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 relevant provisions of the Companies Act, 1956 (the 'Act') read with the General Circular 15/ 2013 dated 12 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 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 and when no significant uncertainty exists regarding the amount of consideration that will be derived. 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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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 outstanding amount and the applicable rate.

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-progress:

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 significant accounting policies and other explanatory information for the year ended March 31, 2014

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 current tax till 31 March 2015 and both the aforementioned units are partly exempted till 31 March 2022 and 31 March 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 current tax, as aforesaid.

The Company's one manufacturing unit located in the notified places as prescribed under section 80IC of the Income-tax Act, 1961 is eligible for the deduction of 100% of the profits and gains of the unit for the first 5 consecutive years and 30% for the next 5 consecutive years. The Company is eligible for the 100% deduction till 31 March 2014 for the unit and further the 30% deduction till 31 March 2019 for the unit. Deferred tax pertaining to the above unit is 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 current 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 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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014		As at 31 March 2013	
	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	179,100,000	1,791,000,000
a) Reconciliation of equity share outstanding at the beginning and end of the year				
Balance at the beginning of the year	179,100,000	1,791,000,000	133,966,500	1,339,665,000
Add: share issued during the year	-	-	45,133,500	451,335,000
Balance at the end of the year	179,100,000	1,791,000,000	179,100,000	1,791,000,000

	As at 31 March 2014		As at 31 March 2013	
	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	66,951,050	37.38%	66,002,700	36.85%
Mr. Padam Chand Gupta	50,371,800	28.12%	50,371,800	28.12%
DVI Fund Mauritius Limited	13,446,680	7.51%	9,262,589	5.17%
	130,769,530	73.01%	125,637,089	70.15%

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

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 bought back during the last 5 years to be given for each class of shares

During the year ended 31 March 2012, the Company had issued two bonus shares for each share held by the shareholders per record on the 16 September 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 be entitled to receive any of the remaining assets of the Company, after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

2) During the year ended 31 March 2014, the amount of proposed final dividend recognised as distribution to equity shareholders is ₹1.5 per share (31 March 2013 ₹ 1 per share) and interim dividend paid was ₹ 1.5 per share (previous year nil)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

4 Reserves and surplus	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Securities premium account		
Balance at the beginning of the year	5,181,743,890	-
Add : Received on issue of equity shares	-	5,561,743,890
Less: Utilised for writing off share issue	-	380,000,000
Balance at the end of the year	5,181,743,890	5,181,743,890
General reserve		
Balance at the beginning of the year	-	-
Add : Amount transferred from Statement of Profit and Loss	356,313,308	-
Balance at the end of the year	356,313,308	-
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	6,915,316,452	4,218,238,690
Add : Profit for the year	3,563,133,080	2,906,615,807
Less: Interim dividend paid (on equity shares ₹ 1.5 per share (previous year Nil)	268,650,000	-
Less: Proposed final dividend on equity shares amount per share ₹ 1.5 per share (previous year ₹ 1 per share)	268,650,000	179,100,000
Less: Dividend distribution tax	91,314,135	30,438,045
Less : Transfer to general reserves	356,313,308	-
Net surplus in the Statement of Profit and Loss	9,493,522,089	6,915,316,452
	15,031,579,287	**12,097,060,342**

5 Borrowings	As at 31 March 2014		As at 31 March 2013	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
Secured				
Vehicle loans*	4,131,309	#	11,994,665	#
Loans repayable on demand from banks:				
Cash credit facilities**		6,730,216,934	-	1,004,735,441
Buyers credit**		-	-	-
Packing credit facilities**		150,000,000	-	1,150,027,801
Post shipment credit facilities**		1,298,524,553	-	154,496,250
Demand loan**		1,851,201,113	-	-
	4,131,309	**10,029,942,600**	**11,994,665**	**2,309,259,492**

Disclosed under Note 8, Other current liabilities as 'current maturities of vehicle loans' ₹ 8,047,820 (previous year ₹ 9,469,347)

a) Details of guarantee for each type of borrowings Guaranteed by directors and others	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Loans repayable on demand from banks:		
Cash credit facilities	6,730,216,934	1,004,735,441
Buyers credit	-	-
Packing credit facilities	150,000,000	1,150,027,801
Post shipment credit facilities	1,298,524,553	154,496,250
Demand loan	1,851,201,113	-
	10,029,942,600	**2,309,259,492**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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 31 March 2014		As at 31 March 2013	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
6 Provisions				
Provisions for employee benefits (Refer note (a) below)	17,701,152	979,500	12,436,107	707,285
Provision for taxation (net of prepaid taxes ₹578,555,271) (previous year ₹ 461,595,559))	-	658,130,930	-	346,910,341
Proposed equity dividend (₹1.5 per share (previous year ₹ 1 per share))	-	268,650,000	-	179,100,000
Dividend distribution tax	-	45,657,068	-	30,438,045
Provision for wealth tax	-	896,588	-	151,367
	17,701,152	**974,314,086**	**12,436,107**	**557,307,038**

(a) Employee benefits

	Gratuity	
	31 March 2014	31 March 2013
	₹	₹
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	13,143,392	6,258,499
Service cost	6,435,937	5,334,723
Interest cost	1,064,615	538,231
Actuarial (gain)/loss	(1,963,292)	1,011,939
Projected benefit obligation at the end of the year	**18,680,652**	**13,143,392**
Expense recognised in the Statement of Profit and Loss		
Service cost	6,435,937	5,334,723
Interest cost	1,064,615	538,231
Recognized net actuarial (gain)/loss	(1,963,292)	1,011,939
Net costs	**5,537,260**	**6,884,893**
Assumptions used		
Discount rate	9.10%	8.10%
Long-term rate of compensation increase	8.00%	8.00%
Average remaining life	30.62	30.49

Note:

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

(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 ₹ 11,179,648 (previous year - ₹ 8,954,605).

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
7 Trade payables		
Due to:		
Micro, small and medium enterprises (Refer note (a) below)	-	-
Others	12,841,215,083	16,250,433,192
	12,841,215,083	**16,250,433,192**

(a) The Company has identified the micro, small and medium enterprises under the Micro Small 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 31 March 2014. 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	8,047,820	9,469,347
Interest accrued but not due on borrowings	15,887,264	22,923,482
Application money received on allotment of securities and due for refund	239,845	1,222,645
Statutory dues	40,068,887	14,182,485
Employee related payables	54,287,921	39,183,775
Other accrued liabilities	64,808,830	171,570,449
Deferred lease rent	121,384,421	-
Other payables		
Advance from customers	1,295,543,983	1,062,557,999
Creditors for capital goods	35,371,055	1,357,857
	1,635,640,026	**1,322,468,039**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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 1 April 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 31 March 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**
Additions	-	-	242,905,110	13,277,808	60,090,718	7,073,451	18,088,497	3,906,214	345,341,798
Disposals	-	-	(5,692,488)		(12,906,352)	(125,550)	(6,934,506)	(2,967,101)	(28,625,997)
Balance as at 31 March 2014	**75,754,408**	**43,556,250**	**570,782,918**	**108,069,310**	**221,376,176**	**32,533,335**	**42,999,024**	**81,388,142**	**1,176,459,563**
Accumulated depreciation and amortisation									
Balance as at 1 April 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 31 March 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**
Depreciation charge/amortisation	-	3,531,051	64,102,630	9,470,108	22,998,752	6,669,951	5,731,935	10,673,195	123,177,622
Reversal on disposal of assets	-	-	(4,729,156)		(6,891,920)	(103,240)	(3,904,378)	(2,500,738)	(18,129,432)
Balance as at 31 March 2014	**-**	**11,776,789**	**150,516,084**	**31,586,925**	**63,070,886**	**19,337,925**	**11,858,700**	**49,020,789**	**337,168,098**
Net block									
Balance as at 31 March 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
Balance as at 31 March 2014	75,754,408	31,779,461	420,266,834	76,482,385	158,305,290	13,195,410	31,140,324	32,367,353	839,291,465

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
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	500,000
50,000 (previous year 50,000) equity shares of ₹10 each		
	500,000	**500,000**
Aggregate amount of unquoted investments	500,000	500,000
11 Deferred tax assets (net)		
Deferred tax assets arising on account of		
Timing difference on depreciation/amortisation of tangible assets	18,257,264	7,853,467
Provision for employee benefits	6,425,560	4,467,439
Deferred lease rent	41,258,565	-
Other timing differences	41,372,183	37,737,585
	107,313,572	**50,058,491**

	As at March 31, 2014		As at March 31, 2013	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
12 Loans and advances				
(Unsecured, considered good)				
Capital advances	226,742,520	-	291,543,700	-
Security deposits				
Related parties	12,000,000	-	14,500,000	-
Others	381,333,297	-	189,113,815	-
Loans and advances				
Related parties	-	-	19,160	-
Others	85,402,850	-	85,402,850	-
Minimum alternate tax credit entitlement	170,407,828	-	219,704,552	-
Foreign currency receivables, net		728,394,669	-	191,083,544
Other loans and advances:				
Prepaid expenses	-	9,646,338	-	6,199,437
Balances with government authorities	-	30,653,190	-	88,994,476
Advances to suppliers	-	4,172,750,437	-	1,350,407,746
Others	-	226,210,793	-	63,149,256
	875,886,495	**5,167,655,427**	**800,284,077**	**1,699,834,459**

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
13 Other non-current assets		
Non-current bank balances (Refer note 17)	91,860,936	147,881,149
	91,860,936	**147,881,149**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
14 Current investments		
Investment in mutual funds (Quoted)		
BOI AXA Capital Protection Oriented Fund	4,999,900	-
(current year 499,990 units of ₹ 10 each, previous year nil)		
BOI AXA Treasury Advantage Fund	102,500,000	-
(current year 68,559.685 units of ₹ 1495.05 each, previous year nil)		
BNP Paribas Flexi Debt Fund - Growth	100,012,170	-
(current year 2,439,833.701 units of ₹ 20.49 each, 1,222,350.433 units of ₹ 20.45 each, 1,225,341.96 units of ₹ 20.41 each, previous year nil)		
Canara Robeco Capital Protection Oriented Fund	5,000,000	-
(current year 500,000 units of ₹ 10 each, previous year nil)		
Canara Robeco Floating Rate - Regular Growth	205,000,000	-
(current year 10,365,156.893 units of ₹ 19.77 each, previous year nil)		
Canara Robeco Liquid - Regular Growth	101,450,848	-
(current year 65,366.016 units of ₹ 1,552.04 each, previous year nil)		
Canara Robeco Medium Term Opportunities Fund	10,000,000	-
(current year 300,000 units of ₹ 10 each, 700,000 units of ₹ 10 each, previous year nil)		
IDFC Cash Fund Growth	6,342,230	-
(current year 4265.425 units of ₹ 1,486.89 each, previous year nil)		
IDFC Money Manager Fund -Treasury Plan Growth	50,000,000	-
(current year 2,499,187.764 units of ₹ 20.00 each, previous year nil)		
Sundaram Ultra Short-Term Fund Regular Growth	100,600,000	-
(current year 5,809,756.464 units of ₹ 17.31 each, previous year nil)		
Reliance Liquid Fund - Cash Plan-Growth Option - Growth Plan	100,000,001	-
(current year 49013.986 units of ₹ 2040.23 each, Previous year nil)		
Reliance Interval Fund - Quarterly Plan - Series I-Growth Plan Growth Option	50,000,000	-
(current year 2,914,194.458 units of ₹ 17.15 each, previous year nil)		
Reliance Fixed Horizon Fund - XXV - Series 29-Growth Plan	102,232,000	-
(current year 10,223,200 units of ₹ 10 each, previous year nil)		
Reliance Money Manager Fund-Growth Plan Growth Option	271,566,236	753,856,023
(current year 93,335.758 units of ₹ 1695.99 each, 65,985.887 units of ₹ 1716.57 each, previous year 470,422.22 units of ₹ 1,602.51 each)		
SBI Magnum Income Fund	102,593,898	-
(current year 2,405,481.749 units of ₹ 29.10 each, 1106,622.245 units of ₹ 29.45 each, previous year nil)		
SBI Magnum Balanced Fund-Reg Growth	20,000,000	-
(current year 304,913.374 units of ₹ 65.59 each, previous year nil)		
SBI Debt Fund Series	50,000,000	-
(current year 5,000,000 units of ₹ 10 each, previous year nil)		

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
SBI Magnum Insta Cash Fund Liquid Floater (current year 69,937.237 units of ₹ 2187.67 each, 74,032.542 units of ₹ 2188.22 each, previous year Nil)	315,000,000	-
SBI Premier Liquid Fund (current year 486.559 units of ₹ 1991.73 each, previous year nil)	969,099	-
ICICI Prudential Banking and PSU Debt Fund (current year 10,845,751.719 units of ₹ 13.83 each, previous year nil)	150,000,000	-
ICICI Prudential Capital Protection Oriented Fund (current year 120,000 units of ₹ 10 each, previous year nil)	1,200,000	-
Axis Treasury Advantage Fund-Growth Growth (current year nil previous year 385,690.32 units of ₹ 1,302.88 each)	-	502,509,827
Bank of India Axis Treasury Advantage Fund-Regular Plan (current year nil previous year 182,351.32 units of ₹ 1,377.73 each)	-	251,230,142
IDFC Money Manager Fund-Investment Plan-Growth-Regular Plan (current year nil previous year 27,630,724.94 units of ₹ 18.10 each)	-	500,000,000
SBI Magnum Income Fund Regular Growth (current year nil previous year 2,405,481.75 units of ₹ 29.10 each)	-	70,000,000
SBI Magnum Fund Insta Cash Fund Liquid Floater-Regular Plan-Growth (current year nil previous year 648,546.03 units of ₹ 2,004.48 each)	-	1,300,000,000
SBI Ultra Fund-Regular Plan Growth (current year nil previous year 698,408.67 units of ₹ 1,505.20 each)	-	1,051,243,885
	1,849,466,382	**4,428,839,877**
Aggregate amount of quoted investments (market value ₹ 1,876,769,966 (previous year ₹ 4,438,970,478)	1,849,466,382	4,428,839,877
15 Inventories (valued at lower of cost or net realisable value)		
Raw materials	6,707,786,240	300,206,516
Work-in-progress	7,514,243,621	6,317,850,283
Finished goods - own manufactured	9,549,259,736	10,518,970,111
	23,771,289,597	**17,137,026,910**
16 Trade receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	10,035,384	35,580,117
Other *	6,222,181,687	6,712,245,992
	6,232,217,071	**6,747,826,109**

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
17 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	40,872,695	550,736,447
Cheques in hand	4,228,991	966,111
Balances with banks in current accounts	228,230,502	246,535,440
Deposits with maturity less than 3 months	838,000,000	-
	1,111,332,188	798,237,998
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months	2,189,554,306	1,850,324,359
Deposits with more than 12 months maturity	91,860,936	147,881,149
	3,392,747,430	2,796,443,506
Less : Amounts disclosed as other non-current assets (Refer note 13)	91,860,936	147,881,149
	3,300,886,494	**2,648,562,357**
18 Other current assets		
Interest accrued on		
- fixed deposits	72,380,110	49,297,296
- loan to others	5,807,756	3,848,434
	78,187,866	**53,145,730**
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
Legal case *	5,500,000	5,500,000
Income tax	3,817,460	-
Guarantees	10,000,000	10,000,000
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,950,560	12,590,885
** excluding interest which is not ascertainable*		
20 Revenue		
Revenue from operations		
Sales		
Export	13,227,459,207	10,307,712,443
Domestic	40,020,831,714	29,876,481,131
	53,248,290,921	**40,184,193,574**
Details of products sold		
Finished goods - own manufactured *		
Gold jewellery and articles	42,518,819,550	28,166,068,563
Diamond studded jewellery **	10,584,470,713	11,842,043,915
Silver made ups and others ***	145,000,658	176,081,096
	53,248,290,921	**40,184,193,574**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

* 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.

	As at 31 March 2014	As at 31 March 2013
	₹	₹
21 Changes in inventories of finished goods and work-in-progress		
Closing stock		
- Finished goods - own manufactured	9,549,259,736	10,518,970,111
- Work-in-progress	7,514,243,621	6,317,850,283
	17,063,503,357	16,836,820,394
Opening 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
	226,682,963	**5,744,435,295**
Details of finished goods- own manufactured		
Gold	6,527,070,324	7,436,367,346
Diamond	2,944,273,849	2,963,490,351
Silver made ups and others *	77,915,564	119,112,414
	9,549,259,737	**10,518,970,111**
Details of work-in-progress		
Gold	3,988,643,415	5,074,183,019
Diamond	3,521,181,641	1,243,106,854
Silver made ups and others *	4,418,565	560,410
	7,514,243,621	**6,317,850,283**

* Others includes platinum jewellery and watches.

22 Other income		
Interest income on:		
fixed deposits	276,973,262	105,129,704
loan to others	8,958,557	9,054,817
Dividend income	184,429,427	82,597,400
Profit on sale of investment	-	2,260,000
Profit on disposal of fixed assets	-	29,984
Other non-operating income	1,992,477	2,994,400
	472,353,723	**202,066,305**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
23 Cost of materials consumed		
Raw material		
Opening stock	300,206,516	631,708,618
Add : purchases during the year	51,404,375,542	39,016,239,459
Less : closing stock	6,707,786,240	300,206,516
	44,996,795,818	**39,347,741,561**
Details of raw materials		
Opening 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**
Closing stock		
Gold	347,066,454	44,163,470
Diamonds	6,357,736,897	254,448,753
Others	2,982,889	1,594,294
	6,707,786,240	**300,206,517**
Purchases during the year		
Gold	37,271,276,741	33,289,113,612
Diamonds	14,025,713,743	5,630,427,705
Others	107,385,058	96,698,142
	51,404,375,542	**39,016,239,459**
Consumed during the year		
Gold	36,968,373,757	33,430,482,162
Diamonds	7,922,425,599	5,819,650,350
Others	105,996,462	97,609,048
	44,996,795,818	**39,347,741,560**
24 Purchase of traded goods		
Gold jewellery and articles	-	177,861
Silver made ups and others	11,397,197	19,279,982
	11,397,197	**19,457,843**
25 Employee benefit expense		
Salaries, wages and bonus	406,306,640	318,169,567
Contribution to gratuity (Refer note 6(a))	5,537,260	6,884,893
Contribution to provident and other defined contribution funds	11,179,648	8,954,605
Staff welfare expenses	24,382,868	19,037,393
	447,406,416	**353,046,458**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
26 Finance costs		
Interest		
on loan	1,233,314,280	924,651,626
on late deposit of advance tax	48,737,254	23,952,718
Other borrowing costs	30,189,924	30,706,692
Bank charges and commission	206,533,975	295,343,503
	1,518,775,433	**1,274,654,539**
27 Other expenses		
Advertisement	376,375,079	261,807,145
Labour charges	364,699,753	244,780,114
Hallmarking charges	6,593,260	4,059,466
Packing expenses	20,812,233	14,779,064
Rent	292,453,224	212,556,950
Business promotion	123,167,516	68,625,511
Communication	30,648,514	23,853,020
Repairs and maintenance		
- office	15,691,766	17,946,432
- others	6,834,682	10,964,138
Discount and commission *	288,893,471	285,044,281
Electricity and water	55,551,104	47,763,238
Vehicle running and maintenance	8,412,509	6,073,143
Insurance	23,497,035	16,616,773
Legal and professional	28,562,654	20,110,473
Rates and taxes	4,522,896	5,933,011
Printing and stationery	17,542,125	16,282,504
Security expenses	46,719,443	35,034,661
Travelling and conveyance	33,388,930	16,304,557
Net loss on disposal of fixed assets	8,986,259	-
Net loss on foreign currency translation	237,880,302	55,883,660
Donation	45,243,521	15,631,166
Miscellaneous	5,066,794	3,719,310
	2,041,543,070	**1,383,768,617**

* interalia includes ₹ 121,718,692 (previous year ₹ 111,025,553) provided against an incentive scheme for sale of jewellery

28 Prior period items		
Interest on late deposit of advance tax pertaining to earlier year	14,014,972	6,811,698
Rent	100,390,133	-
	114,405,105	**6,811,698**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
29 Earning per share		
a) Computation of profit per Statement of Profit and Loss attributable to equity shareholders		
Net profit attributable to equity shareholders	3,563,133,080	2,906,615,807
b) Computation of weighted average number of shares		
Basic earnings per share	179,100,000	146,331,842
Diluted earnings per share	179,100,000	146,331,842
c) Nominal value of shares	10	10
d) Earning per share		
- Basic	19.89	19.86
- Diluted	19.89	19.86

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

(ii) Key management personnel

Mr. Padam Chand Gupta	:	Chairman
Mr. Balram Garg	:	Managing Director
Mr. Ramesh Kumar Sharma (with effect from 7 February 2014)	:	Executive Director and COO

(iii) Relatives of Key management personnel

Ms. Kusum Jain	:	Sister of Mr. Padam Chand Gupta and Mr. Balram Garg
Mr. Nitin Gupta	:	Son of Mr. Padam Chand Gupta
Mr. Sachin Gupta	:	Son of Mr. Padam Chand Gupta
Smt. Pooja Garg	:	Wife of Mr. Balram Garg
Smt. Krishna Devi	:	Wife of Mr. Padam Chand Gupta
Ms. Santosh Sharma	:	Wife of Mr. R. K. Sharma
Ms. Ritu Gupta	:	Daughter of Mr. Padam Chand Gupta
Mr. Abhinav Sharma (with effect from 7 February 2014)	:	Son of Mr. R. K. Sharma

(iv) Other entities in which key management personnel is having significant influence
P C Jewellers (Exports)
Onyx Townships Private Limited
Padam Chand, HUF
Amar Garments Private Limited
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
Track Softech Private Limited
Optimist Computers Private Limited
PC Creations Private Limited
Roshni Jewels Private Limited
Jagram Finvest Private Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(v) Transactions with related parties during the year

Particulars	Subsidiary Company		Key management personnel		Relatives of key management personnel		Other parties		Total	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Rent paid	**-**	**310,298**	**3,331,092**	**2,930,574**	**856,992**	**745,200**	**2,730,348**	**2,585,853**	**6,918,432**	**6,571,925**
Mr. Padam Chand Gupta	-	-	*3,170,604*	*2,791,022*	-	-	-	-	*3,170,604*	*2,791,022*
Mr. Nitin Gupta	-	-	-	-	*428,496*	*372,600*	-	-	*428,496*	*372,600*
Mr. Sachin Gupta	-	-	-	-	*428,496*	*372,600*	-	-	*428,496*	*372,600*
Onyx Townships Private Limited	-	-	-	-	-	-	*2,730,348*	*2,585,853*	*2,730,348*	*2,585,853*
Shivani Sarees Private Limited		*310,298*	-	-	-	-	-	-	-	*310,298*
Remuneration paid	**-**	**-**	**60,260,500**	**60,098,000**	**2,650,500**	**7,514,175**	**-**	**-**	**62,911,000**	**67,612,175**
Mr. Balram Garg	-	-	*60,000,000*	*60,000,000*	-	-	-	-	*60,000,000*	*60,000,000*
Ms. Kusum Jain	-	-		-	*413,000*	-	-	-	*413,000*	-
Mr. Nitin Gupta	-	-	-	-	*1,100,000*	*3,627,339*	-	-	*1,100,000*	*3,627,339*
Mr. Sachin Gupta	-	-	-	-	*1,100,000*	*3,624,840*	-	-	*1,100,000*	*3,624,840*
Interest income	**-**	**328,941**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**328,941**
Shivani Sarees Private Limited		*328,941*	-	-	-	-	-	-	-	*328,941*
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*
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*
Year end balances										
Remuneration payable	**-**	**-**	**3,463,371**	**3,483,799**	**2,582,301**	**210,846**	**-**	**-**	**6,045,672**	**3,694,645**
Mr. Balram Garg	-	-	*3,286,718*	*3,483,799*		-	-	-	*3,286,718*	*3,483,799*
Mr. Nitin Gupta	-	-	-	-	*2,506,022*	*86,392*	-	-	*2,506,022*	*86,392*
Mr. Sachin Gupta	-	-	-	-	-	*103,454*	-	-	-	*103,454*
Amount receivable	**-**	**19,160**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19,160**
PC Universal private Limited	-	*19,160*	-	-	-	-	-	-	-	*19,160*
Security deposits		**-**	**-**	**-**	**-**	**-**	**12,000,000**	**14,500,000**	**12,000,000**	**14,500,000**
Onyx Townships Private Limited		-	-	-	-	-	*12,000,000*	*14,500,000*	*12,000,000*	*14,500,000*

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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 31 March 2014:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
	₹	₹
Forward contract buy		
Number of contracts	-	24
Amount in USD	-	34,086,116
Forward contract sell		
Number of contracts	24	16
Amount in USD	86,700,000	72,400,000

(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	198,906,469	256,042,299
Amount in ₹	11,954,239,006	13,926,140,643
Currency rate	60.10	54.39
Included in sundry debtors		
USD	15,302,273	46,419,767
Amount in ₹	919,663,547	2,524,771,127
Currency rate	60.10	54.39

32 Earnings in foreign currency (accrual basis)

Export value of goods	13,227,459,207	10,307,712,443
Other income-insurance and freight	9,042,973	3,776,310
	13,236,502,180	**10,311,488,753**

33 Expenditure in foreign currency (accrual basis)

Professional and consultation fees	42,440	7,586,900
Packing charges	5,026,267	5,567,514
Travelling expenses	7,392,077	1,487,915
	12,460,784	**14,642,329**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	Year ended 31 March 2014	Year ended 31 March 2013
	₹	₹
34 Imported and indigenous consumption		
Raw materials		
Imported		
Amount	11,931,238,638	9,184,615,587
Percentage	27%	23%
Indigenous		
Amount	33,065,557,180	30,163,125,974
Percentage	73%	77%
Total		
Amount	**44,996,795,818**	**39,347,741,561**
Percentage	**100%**	**100%**
35 Value of imports on CIF basis		
Raw materials	11,931,238,638	9,184,615,587
Capital goods	17,878,534	33,058,512
	11,949,117,172	**9,217,674,099**
36 (i) Disclosures in respect of non-cancellable operating leases		
Particulars		
Payable not later than one year	120,121,355	107,881,699
Payable later than one year not later than five years	105,750,947	54,239,000
	225,872,302	**162,120,699**

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

37 Payments to auditors		
Particulars		
Statutory audit	5,000,000	3,902,500
Tax audit	400,000	350,000
Other services *	2,150,000	6,160,000
Service tax	933,180	1,286,985
	8,483,180	**11,699,485**

* Other services, inter alia, includes ₹ 5,985,000 for the year ended 31 March 2013 which relates to assurance services for the Initial Public Offering and hence has been adjusted against Securities Premium Account as part of share issue expenses.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

38 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 31 March 2014	Balance amount to be utilized as on 31 March 2014
	₹	₹	₹
To finance the establishment of new showrooms	5,168,500,000	1,582,500,000	3,586,000,000
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 31 March 2014

Particulars	Amount in ₹
Balance untilised amount temporarily invested in:	
Mutual funds	1,849,466,382
Fixed deposit	1,736,533,618

39 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/-
Vijay Panwar
Company Secretary

Sd/-
Sanjeev Bhatia
Chief Financial officer

Sd/-
Padam Chand Gupta
Chairman
DIN-00032794

Sd/-
Balram Garg
Managing Director
DIN-00032083

for **Sharad Jain Associates**
Chartered Accountants

Sd/-
per **Sharad Jain**
Partner

for **Walker, Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **David Jones**
Partner

Place : New Delhi
Date : 22 May, 2014

CONSOLIDATED FINANCIAL STATEMENTS

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 subsidiary, (hereinafter collectively referred to as the 'Group'), which comprise the consolidated Balance Sheet as at 31 March 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 reports 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 31 March 2014;

   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 audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 309,652 as at 31 March 2014 (date of Balance sheet); and net cash flows aggregating to ₹ 208,575 for the year 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.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N

sd/-
per **David Jones**
Partner
Membership No. 98113
Place: New Delhi
Date: 22 May 2014

For Sharad Jain Associates
Chartered Accountants
Firm Registration No. 015201N

sd/-
per **Sharad Jain**
Partner
Membership No. 83837
Place: New Delhi
Date: 22 May 2014

Consolidated Balance Sheet as at March 31, 2014

	Notes	As at 31 March 2014 ₹	As at 31 March 2013 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	4	1,791,000,000	1,791,000,000
Reserves and surplus	5	15,031,375,703	12,097,003,621
		16,822,375,703	**13,888,003,621**
Non current liabilities			
Long term borrowings	6	4,131,309	11,994,665
Long term provisions	7	17,701,152	12,436,107
		21,832,461	**24,430,772**
Current liabilities			
Short term borrowings	6	10,029,942,600	2,309,259,492
Trade payables	8	12,841,215,083	16,250,433,192
Other current liabilities	9	1,635,653,262	1,322,478,039
Short term provisions	7	974,314,086	557,307,038
		25,481,125,031	**20,439,477,761**
		42,325,333,195	**34,351,912,154**
Assets			
Non current assets			
Fixed assets			
Tangible assets	10	839,303,828	627,623,854
Intangible assets under development		10,968,238	10,375,862
Deferred tax assets (net)	11	107,313,572	50,058,491
Long term loans and advances	12	875,906,495	800,284,917
Other non current asset	13	91,885,936	147,881,149
		1,925,378,069	**1,636,224,273**
Current assets			
Current investment	14	1,849,466,382	4,428,839,877
Inventories	15	23,771,289,597	17,137,026,910
Trade receivables	16	6,232,217,071	6,747,826,109
Cash and bank balances	17	3,301,130,358	2,649,014,796
Short term loans and advances	12	5,167,663,852	1,699,834,459
Other current assets	18	78,187,866	53,145,730
		40,399,955,126	**32,715,687,881**
		42,325,333,195	**34,351,912,154**

Notes 1 to 35 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	Chief Financial officer	Chairman	Managing Director
		DIN-00032794	DIN-00032083

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

for **Sharad Jain Associates**	for **Walker Chandiok & Co LLP**
Chartered Accountants	(formerly Walker, Chandiok & Co)
	Chartered Accountants
Sd/-	**Sd/-**
per **Sharad Jain**	per **David Jones**
Partner	Partner

Place : New Delhi
Date : 22 May 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

	Notes	Year ended 31 March 2014 ₹	Year ended 31 March 2013 ₹
Revenue			
Revenue from operations	**20**	53,248,290,921	40,184,193,574
Changes in inventories of finished goods and work-in-progress	**21**	226,682,963	5,744,435,295
Other income	**22**	472,353,723	205,778,492
Total revenue		**53,947,327,607**	**46,134,407,361**
Expenses			
Cost of materials consumed	**23**	44,996,795,818	39,347,741,561
Purchases of traded goods	**24**	11,397,197	19,457,843
Employee benefit expense	**25**	447,406,416	353,046,458
Finance costs	**26**	1,518,775,943	1,274,664,685
Depreciation and amortisation expense	**10**	123,180,209	100,172,032
Goodwill on consolidation, impaired		-	78,088
Other expenses	**27**	2,041,686,836	1,383,558,721
Prior period items	**28**	114,405,105	6,811,698
Total expenses		**49,253,647,524**	**42,485,531,086**
Profit before tax		4,693,680,083	3,648,876,275
Tax expense:			
Current tax		1,187,948,947	784,553,181
Deferred tax		(23,132,475)	(45,839,538)
Deferred tax - earlier years		(34,122,606)	
Profit for the year		**3,562,986,217**	**2,910,162,632**
Earnings per equity share (₹)	**29**		
- Basic		19.89	19.89
- Diluted		19.89	19.89

Notes 1 to 35 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	Chief Financial officer	Chairman DIN-00032794	Managing Director DIN-00032083

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

for **Sharad Jain Associates**
Chartered Accountants

Sd/-
per **Sharad Jain**
Partner

for **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **David Jones**
Partner

Place : New Delhi
Date : 22 May 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

		As at March 31, 2014 ₹	As at March 31, 2013 ₹
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit before tax	4,693,680,083	3,648,876,273
	Adjustments for:		
	Depreciation and amortisation expense	123,180,209	100,172,032
	Goodwill on consolidation impaired	-	78,088
	Unrealised foreign exchange (gain)	(866,953,171)	(180,385,402)
	Net loss/(profit)on disposal of fixed assets	8,986,259	(29,984)
	Dividend income	(184,429,427)	(82,597,400)
	Profit on disposal of investment in subsidiary	-	(6,300,985)
	Interest income on fixed deposit	(276,973,262)	(105,129,862)
	Interest income on loan given	(8,958,557)	(8,725,861)
	Interest expense	1,233,314,280	948,604,344
	Provision for gratuity	5,537,260	6,884,893
	Operating profit before working capital changes	**4,727,383,674**	**4,321,446,138**
	Adjustments for:		
	(Increase) in inventories	(6,634,262,687)	(5,412,933,193)
	Decrease in trade receivable	365,388,630	171,694,418
	(Increase) in loans and advances	(2,879,802,604)	(1,297,411,613)
	(Increase)/decrease in current liabilities	(2,799,244,958)	8,126,651,718
	Cash generated (used in)/from operating activities	**(7,220,537,945)**	**5,909,447,468**
	Direct taxes paid	876,255,351	709,354,600
	Net cash generated (used in)/from operating activities	**(8,096,793,296)**	**5,200,092,868**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchases of fixed assets including capital advances and movement in intangible assets under development	(281,147,649)	(236,736,207)
	Proceeds from disposal of fixed assets	1,510,011	1,491,572
	Proceeds from disposal of subsidiary, net	-	686,590
	Investment in mutual fund	2,579,373,495	(4,428,839,877)
	Dividend income	184,429,427	82,597,400
	Loan given to other corporate bodies	-	(80,868,290)
	Interest received	260,889,683	79,711,883
	Movement in fixed deposits	(283,234,734)	(1,338,719,151)
	Net cash from/(used in) investing activities	**2,461,820,233**	**(5,920,676,080)**

	As at March 31, 2014 ₹	As at March 31, 2013 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares including securities premium	-	6,013,078,890
Repayment of long term loans	(7,863,356)	(10,096,311)
Short term borrowings, net	7,720,683,108	(3,356,129,267)
Dividends paid including dividend distribution tax	(523,627,776)	-
Share application money refunded	(982,800)	-
Share issue expenses	-	(323,656,950)
Interest paid	(1,240,350,498)	(917,966,297)
Net cash generated from financing activities	**5,947,858,678**	**1,405,230,065**
Net increase in cash and cash equivalents (A+B+C)	**312,885,615**	**684,646,853**
Opening cash and cash equivalents	798,690,437	114,043,584
Closing cash and cash equivalents*	1,111,576,052	798,690,437
	312,885,615	**684,646,853**
* Reconciliation of cash and cash equivalents		
Cash in hand	40,882,195	550,746,447
Cheques in hand	4,228,991	966,111
Bank Balances	1,066,464,866	246,977,879
	1,111,576,052	**798,690,437**

Notes 1 to 35 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	Chief Financial officer	Chairman	Managing Director
		DIN-00032794	DIN-00032083

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

for **Sharad Jain Associates**
Chartered Accountants

Sd/-
per **Sharad Jain**
Partner

for **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **David Jones**
Partner

Place : New Delhi
Date : 22 May 2014

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

1. Company overview

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

On 28 February 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 undersub-section (1) (a) of section 642 and relevant provisions of the Companies Act, 1956 (the 'Act') read with the General Circular 15/ 2013 dated 12 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 31 March 2014.

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'), the Companies Act , 2013 (to the extent applicable) 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 significant accounting policies and other explanatory information for the year ended March 31, 2014

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 and when no significant uncertainty exists regarding the amount of consideration that will be derived. 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.

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

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-progress:

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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 Consolidated 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.

Provident fund benefit is a defined contribution plan under which the Parent 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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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 31 March 2015 and both the aforementioned units are partly exempted till 31 March 2022 and 31 March 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 one manufacturing unit located in the notified places as prescribed under section 80IC of the Income-tax Act, 1961 is eligible for the deduction of 100% of the profits and gains of the unit for the first 5 consecutive years and 30% for the next 5 consecutive years. The Company is eligible for the 100% deduction till 31 March 2014 for the unit and further the 30% deduction till 31 March 2019 for the unit. Deferred tax pertaining to the above unit is 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 current 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.

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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014		As at 31 March 2013	
	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	179,100,000	1,791,000,000
a) Reconciliation of equity share outstanding at the beginning and end of the year				
Balance at the beginning of the year	179,100,000	1,791,000,000	133,966,500	1,339,665,000
Add: share issued during the year	-	-	45,133,500	451,335,000
Balance at the end of the year	179,100,000	1,791,000,000	179,100,000	1,791,000,000

	As at 31 March 2014		As at 31 March 2013	
	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	66,951,050	37.38%	66,002,700	36.85%
Mr. Padam Chand Gupta	50,371,800	28.12%	50,371,800	28.12%
DVI Fund Mauritius Limited	13,446,680	7.51%	9,262,589	5.17%
	130,769,530	73.01%	125,637,089	70.15%

** 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 bought back during the last 5 years to be given for each class of shares

During the year ended 31 March 2012, the Parent Company had issued two bonus shares for each share held by the shareholders per record on the 16 September 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 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.

d) Terms and rights attached to equity shares

1) The Parent 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 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 31 March 2014, the amount of proposed final dividend recognised as distribution to equity shareholders is ₹ 1.5 per share (31 March 2013 ₹ 1 per share) and interim dividend paid was ₹ 1.5 per share (previous year nil)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
5 Reserves and surplus		
Securities premium account		
Balance at the beginning of the year	5,181,743,890	-
Add : Received on issue of equity shares	-	5,561,743,890
Less: Utilised for writing off share issue	-	380,000,000
Balance at the end of the year	5,181,743,890	5,181,743,890
General reserve		
Balance at the beginning of the year	-	-
Add : Amount transferred from Statement of Profit and Loss	356,313,308	-
Balance at the end of the year	356,313,308	-
Surplus in the Consolidated Statement of Profit and Loss		
Balance at the beginning of the year	6,915,259,731	4,214,635,144
Add : Profit for the year	3,562,986,217	2,910,162,632
Less: Interim dividend paid (on equity shares ₹ 1.5 per share (previous year Nil)	268,650,000	-
Less: Proposed final dividend on equity shares amount per share ₹ 1.5 per share (previous year ₹ 1 per share)	268,650,000	179,100,000
Less: Dividend distribution tax	91,314,135	30,438,045
Less : Transfer to general reserves	356,313,308	-
Net surplus in the Consolidated Statement of Profit and Loss	9,493,318,505	6,915,259,731
	15,031,375,703	**12,097,003,621**

	As at 31 March 2014		As at 31 March 2013	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
6 Borrowings				
Secured				
Vehicle loans*	4,131,309	#	11,994,665	#
Loans repayable on demand from banks:				
Cash credit facilities**		6,730,216,934	-	1,004,735,441
Packing credit facilities**		150,000,000	-	1,150,027,801
Post shipment credit facilities**		1,298,524,553	-	154,496,250
Demand loan**		1,851,201,113	-	-
	4,131,309	**10,029,942,600**	**11,994,665**	**2,309,259,492**

Disclosed under Note 9, Other current liabilities as 'current maturities of vehicle loans' ₹ 8,047,820 (previous year ₹ 9,469,347)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
a) Details of guarantee for each type of borrowings		
Guaranteed by directors and others		
Loans repayable on demand from banks:		
Cash credit facilities	6,730,216,934	1,004,735,441
Packing credit facilities	150,000,000	1,150,027,801
Post shipment credit facilities	1,298,524,553	154,496,250
Demand loan	1,851,201,113	-
	10,029,942,600	**2,309,259,492**

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 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 31 March 2014		As at 31 March 2013	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
7 Provisions				
Provisions for employee benefits (Refer note (a) below)	17,701,152	979,500	12,436,107	707,285
Provision for taxation (net of prepaid taxes ₹578,555,271) (previous year ₹ 461,595,559)	-	658,130,930	-	346,910,341
Proposed equity dividend (₹1.5 per share (previous year ₹ 1 per share))	-	268,650,000	-	179,100,000
Dividend distribution tax	-	45,657,068	-	30,438,045
Provision for wealth tax	-	896,588	-	151,367
	17,701,152	**974,314,086**	**12,436,107**	**557,307,038**

(a) Employee benefits

	Gratuity	
	31 March 2014 ₹	31 March 2013 ₹
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	13,143,392	6,258,499
Service cost	6,435,937	5,334,723
Interest cost	1,064,615	538,231
Actuarial (gain)/loss	(1,963,292)	1,011,939
Projected benefit obligation at the end of the year	**18,680,652**	**13,143,392**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

Employee benefits (Contd.)

	31 March 2014	31 March 2013
	₹	₹
Expense recognised in the Statement of Profit and Loss		
Service cost	6,435,937	5,334,723
Interest cost	1,064,615	538,231
Recognized net actuarial (gain)/loss	(1,963,292)	1,011,939
Net costs	**5,537,260**	**6,884,893**
Assumptions used		
Discount rate	9.10%	8.10%
Long-term rate of compensation increase	8.00%	8.00%
Average remaining life	30.62	30.49

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 ₹ 11,179,648 (previous year - ₹ 8,954,605).

	As at March 31, 2014	As at March 31, 2013
	₹	₹
8 Trade payables		
Due to:		
Micro, small and medium enterprises (Refer note (a) below)	-	-
Others	12,841,215,083	16,250,433,192
	12,841,215,083	**16,250,433,192**

(a) The Group has identified the micro, small and medium enterprises under the Micro Small 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,small and medium enterprises as at 31 March 2014. Further, no interest during the year has been paid or payable under the terms of the MSMEDA.

9 Other current liabilities		
Current maturities of vehicle loan	8,047,820	9,469,347
Interest accrued but not due on borrowings	15,887,264	22,923,482
Application money received on allotment of securities and due for refund	239,845	1,222,645
Statutory dues	40,068,887	14,182,485
Employee related payables	54,287,921	39,183,775
Other accrued liabilities	64,822,066	171,580,449
Deferred lease rent	121,384,421	-
Other payables		
Advance from customers	1,295,543,983	1,062,557,999
Creditors for capital goods	35,371,055	1,357,857
	1,635,653,262	**1,322,478,039**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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 1 April 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 31 March 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**
Additions	-	-	242,905,110	13,277,808	60,090,718	7,073,451	18,103,447	3,906,214	345,356,748
Disposals	-	-	(5,692,488)		(12,906,352)	(125,550)	(6,934,506)	(2,967,101)	(28,625,997)
Balance as at 31 March 2014	**75,754,408**	**43,556,250**	**570,782,918**	**108,069,310**	**221,376,176**	**32,533,335**	**43,013,974**	**81,388,142**	**1,176,474,513**
Accumulated depreciation and amortisation									
Balance as at 1 April 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 charge/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 31 March 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**
Depreciation charge/amortisation	-	3,531,051	64,102,630	9,470,108	22,998,752	6,669,951	5,734,522	10,673,195	123,180,209
Reversal on disposal of assets	-	-	(4,729,156)		(6,891,920)	(103,240)	(3,904,378)	(2,500,738)	(18,129,432)
Balance as at 31 March 2014	**-**	**11,776,789**	**150,516,084**	**31,586,925**	**63,070,886**	**19,337,925**	**11,861,287**	**49,020,789**	**337,170,685**
Net block									
Balance as at 31 March 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
Balance as at 31 March 2014	75,754,408	31,779,461	420,266,834	76,482,385	158,305,290	13,195,410	31,152,687	32,367,353	839,303,828

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
11 Deferred tax assets (net)		
Deferred tax assets arising on account of		
Timing difference on depreciation/amortisation of tangible assets	18,257,264	7,853,467
Provision for employee benefits	6,425,560	4,467,439
Deferred lease rent	41,258,565	-
Other timing differences	41,372,183	37,737,585
	107,313,572	50,058,491

	As at 31 March 2014		As at 31 March 2013	
	Long term	Short term	Long term	Short term
	₹	₹	₹	₹
12 Loans and advances				
(Unsecured, considered good)				
Capital advances	226,742,520	-	291,543,700	-
Security deposits				
Related parties	12,000,000	-	14,500,000	-
Others	381,353,297	-	189,133,815	-
Loans and advances				
Related parties	-	-	-	-
Others	85,402,850	-	85,402,850	-
Minimum alternate tax credit entitlement	170,407,828	-	219,704,552	-
Foreign currency receivables, net		728,394,669	-	191,083,544
Other loans and advances:				
Prepaid expenses	-	9,646,338	-	6,199,437
Balances with government authorities	-	30,653,190	-	88,994,476
Advances to suppliers	-	4,172,750,437	-	1,350,407,746
Others	-	226,219,218	-	63,149,256
	875,906,495	**5,167,663,852**	**800,284,917**	**1,699,834,459**

	As at 31 March 2014	As at 31 March 2013
	₹	₹
13 Other non-current assets		
Non-current bank balances (Refer note 17)	91,885,936	147,881,149
	91,885,936	**147,881,149**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
14 Current investments		
Investment in mutual funds (Quoted)		
BOI AXA Capital Protection Oriented Fund	4,999,900	-
(current year 499,990 units of ₹ 10 each, previous year nil)		
BOI AXA Treasury Advantage Fund	102,500,000	-
(current year 68,559.685 units of ₹ 1495.05 each, previous year nil)		
BNP Paribas Flexi Debt Fund - Growth	100,012,170	-
(current year 2,439,833.701 units of ₹ 20.49 each, 1,222,350.433 units of ₹ 20.45 each, 1,225,341.96 units of ₹ 20.41 each, previous year nil)		
Canara Robeco Capital Protection Oriented Fund	5,000,000	-
(current year 500,000 units of ₹ 10 each, previous year nil)		
Canara Robeco Floating Rate - Regular Growth	205,000,000	-
(current year 10,365,156.893 units of ₹ 19.77 each, previous year nil)		
Canara Robeco Liquid - Regular Growth	101,450,848	-
(current year 65,366.016 units of ₹ 1,552.04 each, previous year nil)		
Canara Robeco Medium Term Opportunities Fund	10,000,000	-
(current year 300,000 units of ₹ 10 each, 700,000 units of ₹ 10 each, previous year nil)		
IDFC Cash Fund Growth	6,342,230	-
(current year 4265.425 units of ₹ 1,486.89 each, previous year nil)		
IDFC Money Manager Fund -Treasury Plan Growth	50,000,000	-
(current year 2,499,187.764 units of ₹ 20.00 each, previous year nil)		
Sundaram Ultra Short-Term Fund Regular Growth	100,600,000	-
(current year 5,809,756.464 units of ₹ 17.31 each, previous year nil)		
Reliance Liquid Fund - Cash Plan-Growth Option - Growth Plan	100,000,001	-
(current year 49013.986 units of ₹ 2040.23 each, Previous year nil)		
Reliance Interval Fund - Quarterly Plan - Series I-Growth Plan Growth Option	50,000,000	-
(current year 2,914,194.458 units of ₹ 17.15 each, previous year nil)		
Reliance Fixed Horizon Fund - XXV - Series 29-Growth Plan	102,232,000	-
(current year 10,223,200 units of ₹ 10 each, previous year nil)		
Reliance Money Manager Fund-Growth Plan Growth Option	271,566,236	753,856,023
(current year 93,335.758 units of ₹ 1695.99 each, 65,985.887 units of ₹ 1716.57 each, previous year 470,422.22 units of ₹ 1,602.51 each)		
SBI Magnum Income Fund	102,593,898	-
(current year 2,405,481.749 units of ₹ 29.10 each, 1106,622.245 units of ₹ 29.45 each, previous year nil)		
SBI Magnum Balanced Fund-Reg Growth	20,000,000	-
(current year 304,913.374 units of ₹ 65.59 each, previous year nil)		
SBI Debt Fund Series	50,000,000	-
(current year 5,000,000 units of ₹ 10 each, previous year nil)		

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
SBI Magnum Insta Cash Fund Liquid Floater	315,000,000	-
(current year 69,937.237 units of ₹ 2187.67 each, 74,032.542 units of ₹ 2188.22 each, previous year Nil)		
SBI Premier Liquid Fund	969,099	-
(current year 486.559 units of ₹ 1991.73 each, previous year nil)		
ICICI Prudential Banking and PSU Debt Fund	150,000,000	-
(current year 10,845,751.719 units of ₹ 13.83 each, previous year nil)		
ICICI Prudential Capital Protection Oriented Fund	1,200,000	-
(current year 120,000 units of ₹ 10 each, previous year nil)		
Axis Treasury Advantage Fund-Growth Growth	-	502,509,827
(current year nil previous year 385,690.32 units of ₹ 1,302.88 each)		
Bank of India Axis Treasury Advantage Fund-Regular Plan	-	251,230,142
(current year nil previous year 182,351.32 units of ₹ 1,377.73 each)		
IDFC Money Manager Fund-Investment Plan-Growth-Regular Plan	-	500,000,000
(current year nil previous year 27,630,724.94 units of ₹ 18.10 each)	-	
SBI Magnum Income Fund Regular Growth		70,000,000
(current year nil previous year 2,405,481.75 units of ₹ 29.10 each)		
SBI Magnum Fund Insta Cash Fund Liquid Floater-Regular Plan-Growth	-	1,300,000,000
(current year nil previous year 648,546.03 units of ₹ 2,004.48 each)		
SBI Ultra Fund-Regular Plan Growth	-	1,051,243,885
(current year nil previous year 698,408.67 units of ₹ 1,505.20 each)		
	1,849,466,382	**4,428,839,877**
Aggregate amount of quoted investments (market value ₹ 1,876,769,966 (previous year ₹ 4,438,970,478)	1,849,466,382	4,428,839,877

15 Inventories (valued at lower of cost or net realisable value)

Raw materials	6,707,786,240	300,206,516
Work-in-progress	7,514,243,621	6,317,850,283
Finished goods - own manufactured	9,549,259,736	10,518,970,111
	23,771,289,597	**17,137,026,910**

16 Trade receivables

(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	10,033,380	35,580,117
Other *	6,222,183,691	6,712,245,992
	6,232,217,071	**6,747,826,109**

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
17 Cash and bank balances		
Cash and cash equivalents		
Cash in hand	40,882,195	550,746,447
Cheques in hand	4,228,991	966,111
Balances with banks in current accounts	228,464,866	246,977,879
Deposits with maturity less than 3 months	838,000,000	-
	1,111,576,052	798,690,437
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months	2,189,554,306	1,850,324,359
Deposits with more than 12 months maturity	91,885,936	147,881,149
	3,393,016,294	2,796,895,945
Less : Amounts disclosed as other non-current assets (Refer note 13)	91,885,936	147,881,149
	3,301,130,358	**2,649,014,796**
18 Other current assets		
Interest accrued on		
- fixed deposits	72,380,110	49,297,296
- loan to others	5,807,756	3,848,434
	78,187,866	**53,145,730**
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
Legal case *	5,500,000	5,500,000
Income tax	3,817,460	-
Guarantees	10,000,000	10,000,000
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,950,560	12,590,885
* excluding interest which is not ascertainable		
20 Revenue		
Revenue from operations		
Sales		
Export	13,227,459,207	10,307,712,443
Domestic	40,020,831,714	29,876,481,131
	53,248,290,921	**40,184,193,574**
Details of products sold		
Finished goods - own manufactured *		
Gold jewellery and articles	42,518,819,550	28,166,068,563
Diamond studded jewellery **	10,584,470,713	11,842,043,915
Silver made ups and others ***	145,000,658	176,081,096
	53,248,290,921	**40,184,193,574**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

* 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.

	As at 31 March 2014 ₹	As at 31 March 2013 ₹
21 Changes in inventories of finished goods and work-in-progress		
Closing stock		
- Finished goods - own manufactured	9,549,259,736	10,518,970,111
- Work-in-progress	7,514,243,621	6,317,850,283
	17,063,503,357	16,836,820,394
Opening 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
	226,682,963	**5,744,435,295**
Details of finished goods- own manufactured		
Gold	6,527,070,324	7,436,367,346
Diamond	2,944,273,849	2,963,490,351
Silver made ups and others *	77,915,563	119,112,414
	9,549,259,736	**10,518,970,111**
Details of work-in-progress		
Gold	3,988,643,415	5,074,183,019
Diamond	3,521,181,641	1,243,106,854
Silver made ups and others *	4,418,565	560,410
	7,514,243,621	**6,317,850,283**

* Others includes platinum jewellery and watches.

22 Other income		
Interest income on:		
fixed deposits	276,973,262	105,129,862
loan to others	8,958,557	8,725,861
Dividend income	184,429,427	82,597,400
Profit on sale of investment	-	6,300,985
Profit on disposal of fixed assets	-	29,984
Other non-operating income	1,992,477	2,994,400
	472,353,723	**205,778,492**
23 Cost of materials consumed		
Raw material		
Opening stock	300,206,516	631,708,618
Add : purchases during the year	51,404,375,542	39,016,239,459
Less : closing stock	6,707,786,240	300,206,516
	44,996,795,818	**39,347,741,561**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
Details of raw materials		
Opening 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**
Closing stock		
Gold	347,066,454	44,163,470
Diamonds	6,357,736,897	254,448,753
Others	2,982,889	1,594,293
	6,707,786,240	**300,206,516**
Purchases during the year		
Gold	37,271,276,741	33,289,113,612
Diamonds	14,025,713,743	5,630,427,705
Others	107,385,058	96,698,142
	51,404,375,542	**39,016,239,459**
Consumed during the year		
Gold	36,968,373,757	33,430,482,162
Diamonds	7,922,425,599	5,819,650,350
Others	105,996,462	97,609,049
	44,996,795,818	**39,347,741,561**
24 Purchase of traded goods		
Gold jewellery and articles	-	177,861
Silver made ups and others	11,397,197	19,279,982
	11,397,197	**19,457,843**
25 Employee benefit expense		
Salaries, wages and bonus	406,306,640	318,169,567
Contribution to gratuity (Refer note 7(a))	5,537,260	6,884,893
Contribution to provident and other defined contribution funds	11,179,648	8,954,605
Staff welfare expenses	24,382,868	19,037,393
	447,406,416	**353,046,458**
26 Finance costs		
Interest		
on loan	1,233,314,280	924,651,626
on late deposit of advance tax	48,737,254	23,952,718
Other borrowing costs	30,189,924	30,706,692
Bank charges and commission	206,534,485	295,353,649
	1,518,775,943	**1,274,664,685**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

	As at 31 March 2014	As at 31 March 2013
	₹	₹
27 Other expenses		
Advertisement	376,375,079	261,807,145
Labour charges	364,699,753	244,780,114
Hallmarking charges	6,593,260	4,059,466
Packing expenses	20,812,233	14,779,064
Rent	292,565,224	212,296,950
Business promotion	123,167,516	68,625,511
Communication	30,648,514	23,853,020
Repairs and maintenance		
- office	15,691,766	17,946,432
- others	6,834,682	10,964,138
Discount and commission *	288,893,471	285,044,281
Electricity and water	55,553,374	47,763,238
Vehicle running and maintenance	8,412,509	6,073,143
Insurance	23,497,035	16,617,827
Legal and professional	28,575,296	20,137,945
Rates and taxes	4,522,896	5,933,011
Printing and stationery	17,542,125	16,284,919
Security expenses	46,719,443	35,034,661
Travelling and conveyance	33,388,930	16,304,557
Net loss on disposal of fixed assets	8,986,259	-
Net loss on foreign currency translation	237,880,302	55,883,660
Donation	45,243,521	15,631,166
Miscellaneous	5,083,648	3,738,473
	2,041,686,836	**1,383,558,721**

* interalia includes ₹ 121,718,692 (previous year ₹ 111,025,553) provided against an incentive scheme for sale of jewellery

28 Prior period items		
Interest on late deposit of advance tax pertaining to earlier year	14,014,972	6,811,698
Rent	100,390,133	-
	114,405,105	**6,811,698**
29 Earning per share		
a) Computation of profit per Statement of Profit and Loss attributable to equity shareholders		
Net profit attributable to equity shareholders	3,562,986,217	2,910,162,632
b) Computation of weighted average number of shares		
Basic earnings per share	179,100,000	146,331,842
Diluted earnings per share	179,100,000	146,331,842
c) Nominal value of shares	10	10
d) Earning per share		
- Basic	19.89	19.89
- Diluted	19.89	19.89

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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 Parent 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 31 March 2014

(Amount in ₹)

	Export		Domestic		Others		Total before Elimination		Elimination		Total	
Particulars	**31 March 2014**	**31 March 2013**	**31 March 2014**	**31 March 2013**	**31 March 2014**	**31 March 2013**	**31 March 2014**	**31 March 2013**	**31 March 2014**	**31 March 2013**	**31 March 2014**	**31 March 2013**
Revenue												
Sale of goods	13,227,459,207	10,307,712,443	40,020,831,714	29,876,481,131	-	-	53,248,290,921	40,184,193,574	-	-	53,248,290,921	40,184,193,574
Total revenue	**13,227,459,207**	**10,307,712,443**	**40,020,831,714**	**29,876,481,131**	**-**	**-**	**53,248,290,921**	**40,184,193,574**			**53,248,290,921**	**40,184,193,574**
Results												
Segment result	1,633,974,987	1,067,993,734	3,186,282,997	2,629,295,862	-	(416,069)	4,820,257,984	3,696,873,526	-	-	4,820,257,984	3,696,873,526
Unallocated expenses	-	-	-	-	-	-	126,577,901	47,997,251	-	-	126,577,901	47,997,251
Profit before tax	**1,633,974,987**	**1,067,993,734**	**3,186,282,997**	**2,629,295,862**	**-**	**(416,069)**	**4,693,680,083**	**3,648,876,275**	**-**	**-**	**4,693,680,083**	**3,648,876,275**
Less: Tax expense							1,130,693,866	738,713,643	-	-	1,130,693,866	738,713,643
Profit after tax							**3,562,986,217**	**2,910,162,632**	**-**	**-**	**3,562,986,217**	**2,910,162,632**
Assets												
Segment assets	11,730,130,435	6,953,497,087	28,365,836,133	27,337,508,275	-	472,439	40,095,966,568	34,291,496,961	-	19,160	40,095,966,568	34,291,477,801
Unallocated assets	-	-	-	-	-	-	2,229,366,627	60,434,353	-	-	2,229,366,627	60,434,353
Total assets	**11,730,130,435**	**6,953,497,087**	**28,365,836,133**	**27,337,508,275**	**-**	**472,439**	**42,325,333,195**	**34,351,931,314**	**-**	**19,160**	**42,325,333,195**	**34,351,912,154**
Liabilities												
Segment liabilities	10,096,155,456	5,890,375,151	14,414,786,799	14,003,685,851	-	10,000	24,510,942,255	19,894,071,002	-	-	24,510,942,255	19,894,071,002
Unallocated liabilities	-	-	-	-	-	-	992,015,237	569,837,530	-	-	992,015,237	569,837,530
Total liabilities	**10,096,155,456**	**5,890,375,151**	**14,414,786,799**	**14,003,685,851**	**-**	**10,000**	**25,502,957,492**	**20,463,908,532**	**-**	**-**	**25,502,957,492**	**20,463,908,532**
Capital expenditure	99,423	104,202	345,257,325	163,044,039	-	-	345,356,748	163,148,241	-	-	345,356,748	163,148,241
Unallocated capital expenditure	-	-	-	-	-	-	592,376	583,935	-	-	592,376	583,935
Total capital expenditure	**99,423**	**104,202**	**345,257,325**	**163,044,039**	**-**	**-**	**345,949,124**	**163,732,176**	**-**	**-**	**345,949,124**	**163,732,176**
Depreciation and amortisation	4,016,748	4,498,304	119,163,461	95,386,705	-	287,024	123,180,209	100,172,033	-	-	123,180,209	100,172,033
Non cash expenditures other than depreciation (net)												
Gratuity	-	-	-	-	-	-	-	-	-	-	5,537,260	6,884,893
Unrealised foreign exchange loss/ (gain)	(879,493,660)	(264,624,202)	12,540,488	445,009,604	-	-	(866,953,171)	180,385,402	-	-	(866,953,171)	180,385,402

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 significant accounting policies and other explanatory information for the year ended March 31, 2014

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

PC Universal Private Limited

(ii) Key management personnel

Mr. Padam Chand Gupta	:	Chairman of the Parent Company and Director of the Subsidiary Company
Mr. Balram Garg	:	Managing Director of the Parent Company and Director of the Subsidiary Company
Mr. Ramesh Kumar Sharma (with effect from 7 February 2014)	:	Executive Director and COO of the Parent Company

(iii) Relatives of Key management personnel

Ms. Kusum Jain	:	Sister of Mr. Padam Chand Gupta and Mr. Balram Garg
Mr. Nitin Gupta	:	Son of Mr. Padam Chand Gupta
Mr. Sachin Gupta	:	Son of Mr. Padam Chand Gupta
Smt. Pooja Garg	:	Wife of Mr. Balram Garg
Smt. Krishna Devi	:	Wife of Mr. Padam Chand Gupta
Ms. Santosh Sharma	:	Wife of Mr. R. K. Sharma
Ms. Ritu Gupta	:	Daughter of Mr. Padam Chand Gupta
Mr. Abhinav Sharma (with effect from 7 February 2014)	:	Son of Mr. R. K. Sharma

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

P C Jewellers (Exports)

Onyx Townships Private Limited

Padam Chand, HUF

Amar Garments Private Limited

Trigun Infrastructures 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

Track Softech Private Limited

Optimist Computers Private Limited

PC Creations Private Limited

Roshni Jewels Private Limited

Jagram Finvest Private Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(v) Transactions with related parties during the year

(Amount in ₹)

Particulars	Key management personnel		Relatives of key management		Other parties		Total	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Rent paid	**3,331,092**	**2,930,574**	**856,992**	**745,200**	**2,730,348**	**2,585,853**	**6,918,432**	**6,261,627**
Mr. Padam Chand Gupta	3,170,604	2,791,022	-	-	-	-	3,170,604	2,791,022
Mr. Nitin Gupta	-	-	428,496	372,600	-	-	428,496	372,600
Mr. Sachin Gupta	-	-	428,496	372,600	-	-	428,496	372,600
Onyx Townships (P) Ltd	-	-	-	-	2,730,348	2,585,853	2,730,348	2,585,853
Remuneration paid	**60,260,500**	**60,098,000**	**2,650,500**	**7,514,175**	**-**	**-**	**62,911,000**	**67,612,175**
Mr. Balram Garg	60,000,000	60,000,000	-	-	-	-	60,000,000	60,000,000
Ms. Kusum Jain	-	-	413,000	-	-	-	413,000	-
Mr. Nitin Gupta	-	-	1,100,000	3,627,339	-	-	1,100,000	3,627,339
Mr. Sachin Gupta	-	-	1,100,000	3,624,840	-	-	1,100,000	3,624,840
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
Year end balances								
Remuneration payable	**3,463,371**	**3,483,799**	**2,582,301**	**210,846**	**-**	**-**	**6,045,672**	**3,694,645**
Mr. Balram Garg	3,286,718	3,483,799	-	-	-	-	3,286,718	3,483,799
Mr. Ramesh Kumar Sharma		-	-	-	-	-	-	-
Mr. Nitin Gupta	-	-	2,506,022	86,392	-	-	2,506,022	86,392
Mr. Sachin Gupta	-	-	-	103,454	-	-	-	103,454
Security deposits	**-**	**-**	**-**	**-**	**12,000,000**	**14,500,000**	**12,000,000**	**14,500,000**
Onyx Townships Private Limited	-	-	-	-	12,000,000	14,500,000	12,000,000	14,500,000

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

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

As per the strategy of the Group, 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 31 March 2014:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
	₹	₹
Forward contract buy		
Number of contracts	-	24
Amount in USD	-	34,086,116
Forward contract sell		
Number of contracts	24	16
Amount in USD	86,700,000	72,400,000

(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	198,906,469	256,042,299
Amount in ₹	11,954,239,006	13,926,140,643
Currency rate	60.10	54.39
Included in sundry debtors		
USD	15,302,273	46,419,767
Amount in ₹	919,663,547	2,524,771,127
Currency rate	60.10	54.39

33 **Payments to auditors**

Particulars		
Statutory audit	5,000,000	3,902,500
Tax audit	400,000	350,000
Other services *	2,150,000	6,160,000
Service tax	933,180	1,286,985
	8,483,180	**11,699,485**

* Other services, inter alia, includes ₹ 5,985,000 for the year ended 31 March 2013 which relates to assurance services for the Initial Public Offering and hence has been adjusted against Securities Premium Account as part of share issue expenses.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

34 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 at 31 March 2014**	**Balance amount to be utilized as at 31 March 2014**
	₹	₹	₹
To finance the establishment of new showrooms	5,168,500,000	1,582,500,000	3,586,000,000
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, 2014

Particulars	**Amount in ₹**
Balance unutilized amount temporarily invested in:	
Mutual funds	1,849,466,382
Balance in bank accounts	1,736,533,618

35 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/-
Vijay Panwar
Company Secretary

Sd/-
Sanjeev Bhatia
Chief Financial officer

Sd/-
Padam Chand Gupta
Chairman
DIN-00032794

Sd/-
Balram Garg
Managing Director
DIN-00032083

for **Sharad Jain Associates**
Chartered Accountants

Sd/-
per **Sharad Jain**
Partner

for **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **David Jones**
Partner

Place : New Delhi
Date : 22 May, 2014

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

Particulars	PC Universal Private Limited
	(₹)
Capital	500,000
Reserves	-203,584
Total Assets	309,652
Total Liabilities	13,236
Details of investment (except in case of investment in the subsidiaries)	-
Turnover	-
Profit before taxation	-203,584
Provision for taxation	-
Profit after taxation	-203,584
Proposed dividend	-

ECS MANDATE FORM

[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]

To

Karvy Computershare Private Limited

Unit: PC Jeweller Limited
Plot No.17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081

Details of Member:

Name of the First/Sole Member	
Folio No.	

PAN/E-mail informations:

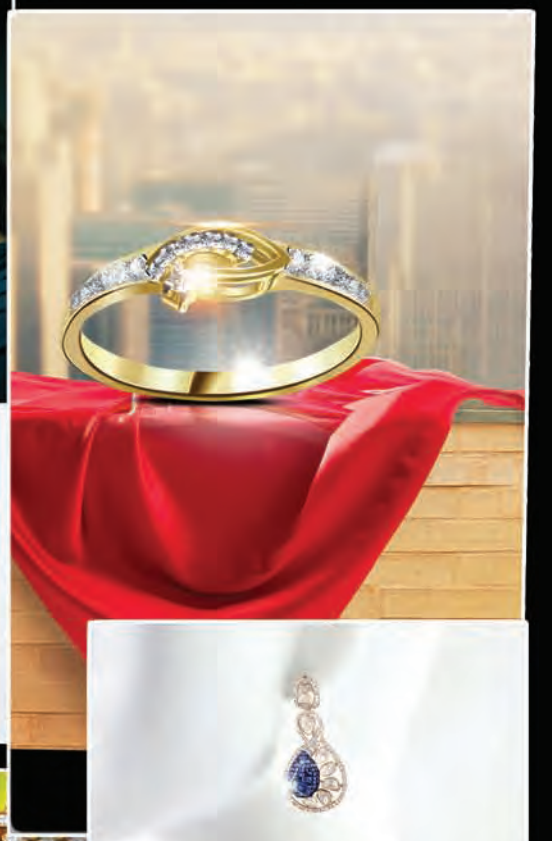
Income Tax Permanent Account Number (PAN) (Please attach a self-attested photocopy of PAN Card)	
E-mail ID	

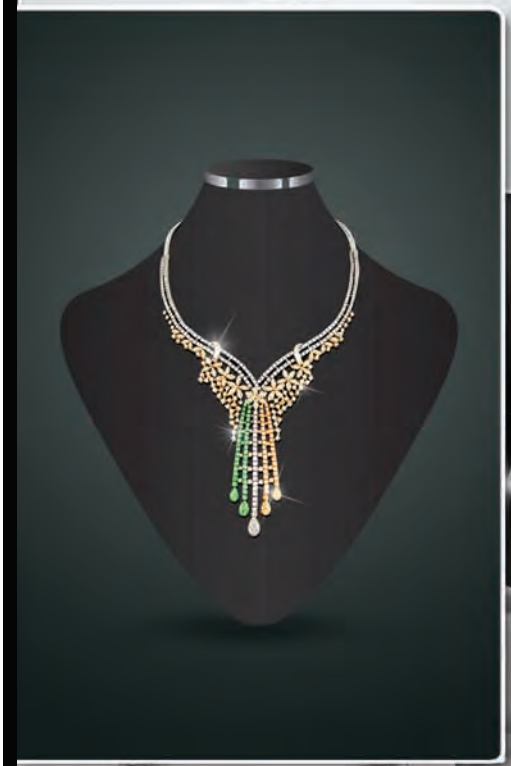
Particulars of the Bank Account:

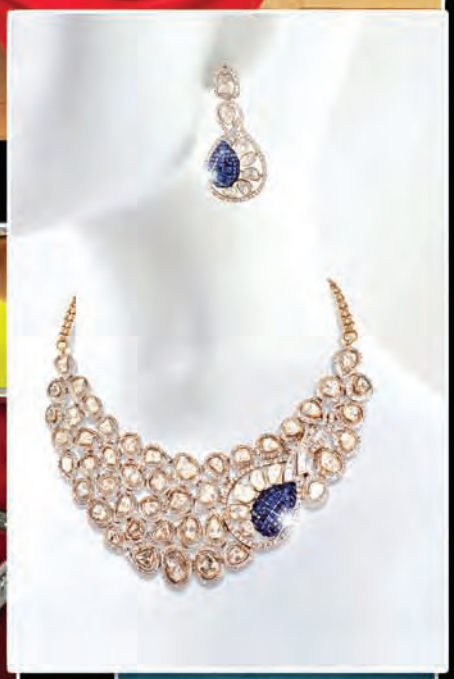
Bank Name									
Branch Name & Address									
Bank Account Type (tick)	SB			Current			Others		
Bank Account Number									
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank (please attach a photocopy of the cheque)									
IFSC Code									

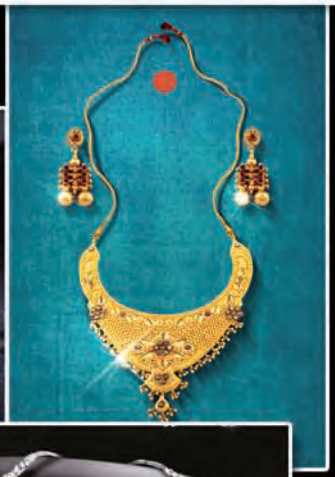
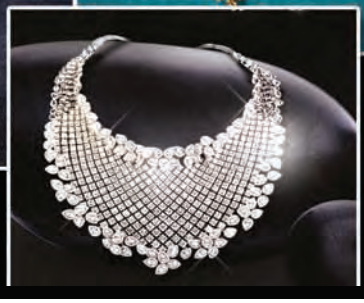
I hereby declare that the particulars given above are correct and complete and also express my consent to receive information through e-mail towards dividend paid by the company under the ECS mode.

Signature of the First Registered Member/Sole Member







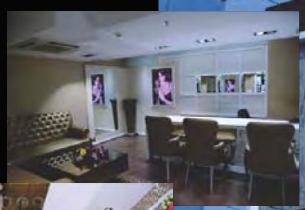



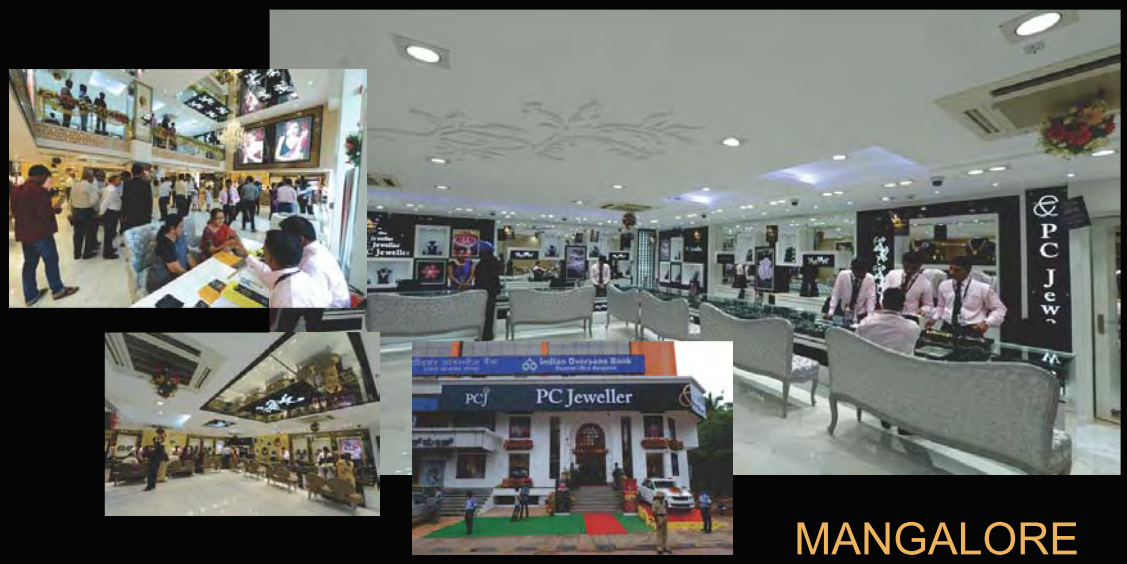
BENGALURU

Bengaluru showroom was an addition to the ever growing success story of PCJ. What made it even special was a brigade of celebrities that attended the fashion show, followed by the launch of the showroom; where on one hand, Kangna Ranaut set the ramp on fire and on the other, Manish Malhotra dazzled with his awe-inspiring designs.

HYDERABAD

With a grand opening of its showroom at Hyderabad, PCJ increased the tally of total number of its showroom in India above 40. It was launched with several schemes for the customers and is located in Punjagutta area.





MANGALORE

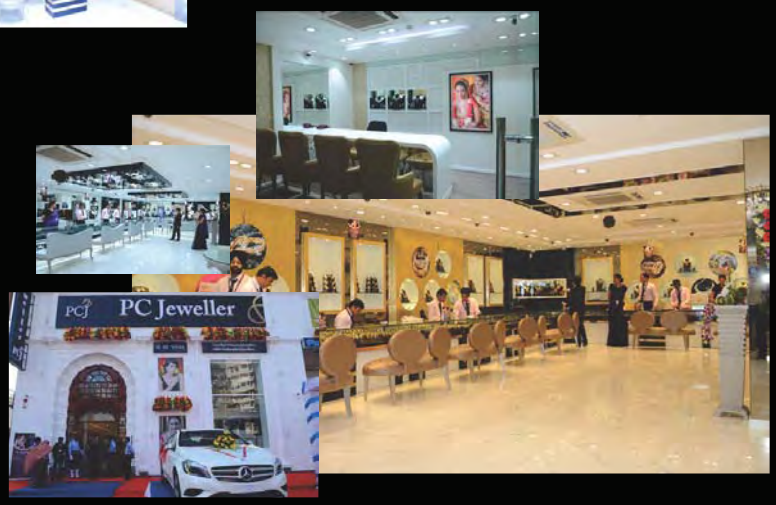
Our Mangalore showroom launch was eve more special, not just because of the super saving offers we initiated with, but also because of the ravishing beauty that launched this showroom.
'Shilpa Shetty' a renowned name in acting and modelling world graced the showroom on the launch.

RAJKOT

The 3 talented and exquisite finalists of 'Femina Miss India' were present at the launch of our Rajkot showroom. Gujarat has been on our list of important places and the warmth of the place did not disappoint us.

AHMEDABAD
(SHIVRANJANI)

We launch of the second showroom in Ahmedabad was a grand affair. Bollywood beauty, Jacqueline Fernandez joined the celebrations as Chief Guest and the brand announced Mercedes Benz in Bumper prize with exclusive, Inaugural schemes and other surprises for the customers.



Jammu & Kashmir
Jammu
Ludhiana
Amritsar
Chandigarh
Punjab
Panchkula
Dehradun
Haridwar
Uttarakhand
Haryana
Sri Ganga Nagar
Hisar
Rohtak
Delhi/NCR
13 Showrooms
Rajasthan
Ajmer
Uttar Pradesh
Lucknow
Jodhpur
Beawar
Kanpur
Assam
Guwahati
Pali
Bhilwara
Bihar
Patna
Jharkhand
Ranchi
Ahmedabad
2 Showrooms
Bhopal
Jabalpur
Indore
Chhattisgarh
Madhya Pradesh
Vadodara
Bilaspur
Rajkot
Raipur
Gujarat
Andhra Pradesh
Hyderabad
Karnatka
Mangalore
Bengaluru

Orient Press Ltd.

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