PCJ

Jeweller for generations

Date: 24/09/2016

To,
The Listing Compliance Department,
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai – 400 001

To,
The Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Sub.: Annual Report 2015-16

Ref.: PC Jeweller Limited (Scrip Code: 534809, Symbol: PCJEWELLER)

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report 2015-16, which has been approved and adopted in the 11th Annual General Meeting of the Company held on September 19, 2016.

Kindly take the same on record.

Thanking you.

For **PC Jeweller Limited**

PC JEWELLER LIMITED New Delhi

(VIJAY PANWAR)
Company Secretary

Encl.: As above

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PC Jeweller

PC Jeweller Limited

Annual Report 2015-16

PC Jeweller Pan India Presence

not to scale - for illustration purpose

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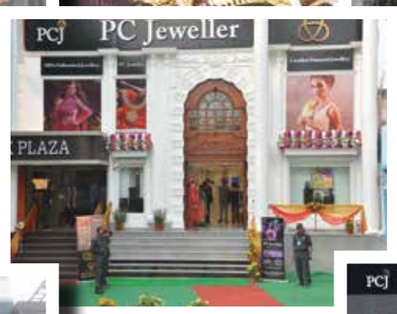
JOURNEY OF PC JEWE LLER DURING 2015-16

Durgapur

Bhagalpur

Siliguri

Gwalior



Jamshedpur

Dhanbad

Bhubaneswar

Bhilai

Udaipur

Yamuna Vihar

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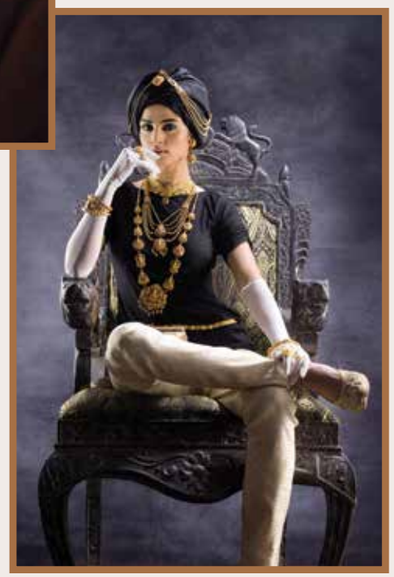
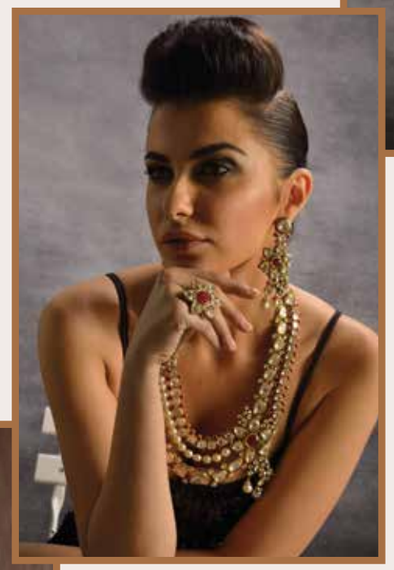
PC Jeweller

Unspoken Emotions Crafted Just For You



Charm of Indulgence with PC Jeweller



PC Jeweller

PC Jeweller operates and manages a vertically integrated business model, from in-house design to production to sale.

Design & Develop → **Maufacturing** → **Retail Sale**

Elegance is the Only Beauty which Never Fades . . .

CORPORATE OVERVIEW

Shri Balram Garg, Managing Director, receiving Award on 12th March, 2016 in Precious Metal Jewellery Plain (Large) category for the year 2014-15 from Shri Rajpal Singh Shekhawat, Minister for Urban Development, Local Self & Housing, Rajasthan

Shri Balram Garg, Managing Director, receiving "Niryat Shree Award" for the year 2015-16 in Non-MSME Sector from Hon'ble President of India Shri Pranab Mukherjee

CORPORATE INFORMATION

Board of Directors

Shri Padam Chand Gupta	:	Chairman
Shri Balram Garg	:	Managing Director
Shri Ramesh Kumar Sharma	:	Executive Director & Chief Operating Officer
Mrs. Kusum Jain	:	Non-Executive Director
Dr. Manohar Lal Singla	:	Independent Director
Shri Krishan Kumar Khurana	:	Independent Director
Shri Miyar Ramanath Nayak	:	Independent Director
Shri Muneesh Chawla	:	Nominee Director (appointed w.e.f. July 4, 2016)
Chief Financial Officer	:	Shri Sanjeev Bhatia
Company Secretary & Compliance Officer	:	Shri Vijay Panwar
Statutory Auditors	:	M/s Walker Chandiok & Co LLP, Chartered Accountants Firm Registration No.: 001076N/N500013 M/s Sharad Jain Associates, Chartered Accountants Firm Registration No.: 015201N
Internal Auditors	:	M/s VGJ & Associates, Chartered Accountants Firm Registration No.: 023431N
Registered Office	:	PC Jeweller Limited C – 54, Preet Vihar,Vikas Marg, Delhi – 110092 Tel: 011-4971 4971, Fax: 011-49714972
Registrar and Share Transfer Agent (RTA)	:	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 (Telangana) Tel: 040-67161500, Fax: 040-23420814 E-mail: einward.ris@karvy.com
Website	:	www.pcjeweller.com
Corporate Identity Number	:	L36911DL2005PLC134929
ISIN (Equity Share)	:	INE785M01013
BSE Limited (Scrip Code)	:	534809
National Stock Exchange of India Limited (Symbol)	:	PCJEWELLER

MESSAGE FROM THE MANAGING DIRECTOR

I have immense pleasure in presenting the 11th Annual Report of PC Jeweller Limited, highlighting our achievements, reflecting on the year gone by and sharing our vision for the future. I would also like to share my thoughts on my favourite topic, The Indian Jewellery Industry.

Jewellery industry is an integral part of our culture and heritage. Besides textiles, jewellery is perhaps the only industry which continues to survive and thrive since the beginning of Indian civilization and even today the craftsmanship of our karigars is unmatched in the world. This industry has started coming into its own during 1990s after the liberalisation of gold imports and today plays a very important role in the Indian economy.

The current size of the domestic gems & jewellery industry is estimated to be more than Rs. 3 lakh crores. Contributing around 6-7 per cent of the country's GDP, the Gems & Jewellery industry has been a major contributor to the country's exports and thereby a key generator of foreign exchange earnings for the country. This sector provides employment to more than a crore of people today in segments right from manufacturing to retail. The importance of this sector is thus significant to the Indian economy.

The financial year 2015-16, was a very special one for your Company as it celebrated its 10th anniversary in April 2015. We are delighted to bring to your notice that your Company, which started its journey in April 2005, with a single showroom at Karol Bagh (Delhi) is today a Pan India player with 64 showrooms in 52 cities across 18 States. It also had the distinction of achieving a billion-dollar turnover in the tenth year of its existence. All these milestones have been achieved with hardwork and commitment from every single team member, bankers and stakeholders alike.

However, your Company has no intentions to rest on its laurels and has embarked upon ambitious plans to maintain its leadership position in its core area of operations. The Company would be working through the following formats in its aim to capture the entire gamut of the jewellery consumers in the country:

Format	Area of Operations
Large Format Showrooms	At high street locations for catering rich and upper middle class customers.
Small Format Showrooms	Focus on middle and lower middle class customers at the smaller markets of cities where the Company has large format showrooms at the high street.
Exclusive Lounges	Separate lounges at select showrooms to cater to high networth individuals.
Franchisee Showrooms	Showrooms at tier II & III locations.
Online Platform	Light weight jewellery for every day wear for catering to working women & young generation customers.
Flexia Jewellery	A unique detachable jewellery to cater to value conscious customers, who want more in less.

We at the PC Jeweller believe that any long term sustainable growth is a result of continuous innovation and this is reflected in our initiative on creating our online platform, franchisee showrooms, flexia and smart jewellery among others. We are confident that these new initiatives of the Company will very soon bear fruit and your Company will be a fully integrated jewellery Company with capability to serve all type and class of customers. Though the existing large format showrooms at high street locations will continue to be the core revenue driver, we believe that going forward these new initiatives will propel the Company to newer dimensions of market creation and revenue generation.

A jewellery purchase experience is intrinsic to customers' emotions and we need to constantly remain conscious of this customers' buying behaviour and demands. In this context we carried out detailed studies and focussed group discussions through our showrooms. We have been observing that with increasing purchasing power, the self-purchasing younger generations buying behaviour is completely different from the previous generation. With increasing social media influences and point of sale experience our future customers have a very different perspective and we have been taking keen efforts to not only live up to their expectations but delight them at every point when they interact with us.

Technology is driving almost every step of retail experience for the younger generation. Accordingly, we have embarking on an in-depth digital branding exercise and have mapped our target customers. We propose to invest in social media platforms for creating communities on Facebook, Twitter, Instagram and other platforms. In order to ensure complete resonance of all activities online and offline, we will align all our marketing efforts spanning print, television and out of home media with digital marketing. We are also pleased to inform that we are making a lot of innovations for instore experience by incorporating Augmented Reality and Virtual Reality zones in our showrooms to increase customer engagement.

We continue to remain very bullish on the growth of the organized jewellery retail sector in the country. Your Company has achieved a topline CAGR of 24.30% between the financial year 2011-12 & 2015-16 and I am fully confident of surpassing this figure in the coming four years. Our EBIDTA has shown a CAGR of 22.80% in the same period and there is no reason why we cannot improve on this performance as well.

Looking ahead, as the retail jewellery space is becoming more and more competitive with customer choices becoming increasingly personalized, influenced by a variety of factors, our expertise in design coupled with the world class manufacturing facilities puts us in a very favourable position to address the market challenges. With all the above initiatives, we as a team are confident to propel your Company to make a significant impact in the jewellery industry.

I am thankful to all employees who have continued to contribute with exemplary performance and face the ever increasing demands and work pressure. I believe that a dedicated and committed team is lifeline for any successful organization and we are committed to maintain and nurture a happy and satisfied work force. We have accordingly drawn up an ESOP Scheme, where we have given ESOPs at the face value of the share.

I wish to convey my sincere appreciation to all who have strived to place us where we are now. I would also like to thank the government authorities, the bankers, suppliers, customers and the shareholders for all their support and encouragement during the year.

With Warm Regards,

Yours Sincerely,

Sd/-
Balram Garg
Managing Director

STATUTORY REPORTS

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 11th Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2016.

OVERVIEW OF FINANCIAL PERFORMANCE & BUSINESS

The highlights of the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2016, are as under:

(Rs. in crores, except earnings per share)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations	7,259.07	6,348.52	7,330.18	6,361.28
Other Income	49.56	59.19	48.70	59.21
Total Revenue	**7,308.63**	**6,407.71**	**7,378.88**	**6,420.49**
Profit before Finance Costs, Depreciation and Tax	775.93	783.21	774.12	782.43
Less: Finance Cost	214.65	220.87	214.95	219.89
Less: Depreciation & Amortisation	22.61	23.02	22.66	23.02
Profit before Tax	**538.67**	**539.32**	**536.51**	**539.52**
Less: Tax Expense	137.79	161.09	136.85	161.09
Net Profit after Tax	**400.88**	**378.23**	**399.66**	**378.43**
Surplus in the Statement of Profit & Loss-Opening Balance	1,238.57	949.35	1,238.76	949.34
Amount available for appropriation	**1,639.45**	**1,327.58**	**1,638.42**	**1,327.77**
Appropriations:				
Depreciation adjustment	-	0.80	-	0.80
Proposed Equity Dividend	60.00	57.31	60.00	57.31
Dividend Distribution Tax	11.88	11.99	11.88	11.99
Transfer to General Reserves	-	18.91	-	18.91
Surplus in the Statement of Profit & Loss-Closing Balance	**1,567.57**	**1,238.57**	**1,566.54**	**1,238.76**
Earnings per Share:				
Basic	22.38	21.12	22.32	21.13
Diluted	22.34	21.12	22.28	21.13

During the year under review, revenue from operations on standalone basis increased to Rs. 7,259.07 crores as compared to Rs. 6,348.52 crores during the previous year, representing growth of more than 14%. The net profit after tax also increased to Rs.400.88 crores as compared to Rs. 378.23 crores during the previous year, representing growth of approximately 6%. The share of domestic and export sales in the revenue from operations on standalone basis is Rs. 5,166.13 crores (71.17%) and Rs. 2,092.94 crores (28.83%) respectively.

Your Company continued its growth journey and opened 10 new showrooms, including remaining 4 showrooms out of the 20 showrooms earmarked to be opened from Initial Public Offer ("**IPO**") proceeds and has completely utilized the net IPO proceeds. During the year the Company also took initiatives on small and franchisee showrooms and opened 1 small showroom and 1 franchise showroom. The Company has total 60 showrooms as on March 31, 2016. After end of the year under review, your Company has opened 4 new showrooms and as on the date of this report, your Company is having total 64 showrooms located in 52 cities across India.

During the year under review, the Company launched its Flexia jewellery collection and acquired 'AZVA' brand, India's first branded gold jewellery from World Gold Council, in one of its wholly owned subsidiary. In technical tie up with California based leading tech firm Martian Inc., your Company is working on development of smart jewellery.

SHARE CAPITAL

During the year under review, the authorised share capital of the Company has been increased from Rs.200 crores to Rs. 225 crores. After the end of the year, subject to the approval of the Members, the Company proposed to further increase its authorised share capital to Rs.500 crore comprising of 24 crores equity shares of Rs.10/- each and 26 crores preference shares of Rs.10/- each. The paid-up share capital of the Company remained unchanged during the year.

CHANGE OF REGISTERED OFFICE

The registered office of the Company was shifted from 24/2708, Bank Street, Karol Bagh, New Delhi - 110005 to C – 54, Preet Vihar, Vikas Marg, Delhi – 110092 with effect from July 21, 2015.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 3.35 per equity share (i.e. @33.50% of face value of Rs.10/- each) for the financial year 2015-16, subject to the approval of Members in the 11th Annual General Meeting.

TRANSFER TO GENERAL RESERVE

Your Directors do not propose to transfer any amount to the General Reserve.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Kusum Jain, who was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director on March 31, 2015, was regularised in the 10th Annual General Meeting of the Company held on September 19, 2015. In the same meeting Shri Suresh Kumar Jain was appointed as Non-Executive Independent Director for a term of 3 years w.e.f. September 19, 2015.

Shri Padam Chand Gupta, Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the 11th Annual General Meeting.

Shri Ramesh Kumar Sharma, whose present term of appointment as Whole-time Director of the Company is expiring on February 6, 2017, is proposed to be re-appointed as Whole-time Director of the Company for a further term of 5 years at the 11th Annual General Meeting.

Brief resumes of Shri Padam Chand Gupta & Shri Ramesh Kumar Sharma forms part of the Notice convening the Annual General Meeting.

No changes among Key Managerial Personnel took place during the year and Shri Balram Garg, Managing Director, Shri Sanjeev Bhatia, Chief Financial Officer and Shri Vijay Panwar, Company Secretary continues to be Key Managerial Personnel of the Company.

SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2016, your Company has three wholly owned non-material Indian subsidiary companies:

(1) **PC Universal Private Limited:** It is engaged in the business of manufacturing and export of all kinds of gold, silver, diamond jewellery and ornaments. It has one manufacturing unit located in Noida Special Economic Zone, Noida (U.P.). Its turnover and net profit for the year were Rs.6980.13 lakhs and Rs.90.61 lakhs respectively.

(2) **Transforming Retail Private Limited:** It is engaged in the business of trading of all kinds of gold, silver, diamond jewellery and ornaments. Presently, it sells jewellery through its online sale portal www.wearyourshine.com. Its turnover for the year was Rs.1105.13 lakhs and it incurred a net loss of Rs.155.04 lakhs.

(3) **Luxury Products Trendsetter Private Limited:** It was incorporated as wholly owned subsidiary of the Company during the year under review. It is engaged in the business of manufacture, buy, sell etc. of jewellery. During the year under review, it has acquired 'AZVA' brand, India's first branded gold jewellery. It incurred a net loss of Rs.57.70 lakhs during the year.

In terms of proviso to sub-section (3) of Section 129 of the Act, the salient features of the financial statements of the subsidiaries is set out in the Form AOC-1, which form part of this Annual Report.

Your Company does not have any associate or joint venture company.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with the Companies Act, 2013 and Accounting Standard AS-21, form part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report as stipulated under Regulation 34 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

NUMBER OF BOARD MEETINGS

During the year five Board meetings were held on May 14, 2015; July 21, 2015; August 13, 2015; November 6, 2015 and January 23, 2016. The time gap between any two Board meetings does not exceed 120 days. For further details, please refer to Report on Corporate Governance.

AUDIT COMMITTEE

The Audit Committee of the Board comprises of four members, namely Dr. Manohar Lal Singla, Shri Krishan Kumar Khurana, Shri Miyar Ramanath Nayak and Shri Balram Garg. Except Shri Balram Garg, Managing Director, all other members are Independent Directors. Dr. Manohar Lal Singla, an Independent Director, is the Chairperson of the Audit Committee. For further details, please refer to Report on Corporate Governance.

INTERNAL FINANCIAL CONTROLS

Your Company has put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed. The Company has appointed a professional firm as Internal Auditor to regularly carry out review of the internal control systems and procedures. The internal Audit Reports are periodically reviewed by the Audit Committee.

PUBLIC DEPOSITS

Your Company through a Postal Ballot resolution got the approval of Members to invite / accept / renew from time to time unsecured/ secured deposits in the form of advances for the Company's Jewellery Purchase Schemes, from the Members of the Company and the Public, up to permissible limits. Thereafter, the Company issued a Circular in the form of Advertisement inviting Deposits and started accepting deposits w.e.f. August 15, 2015 under its Jewellery Purchase Scheme "Jewel For Less".

The details relating to deposits, covered under Chapter V of the Companies Act, 2013 are as under:

(a) Accepted during the year : Rs. 30.97 crores

(b) Remained unpaid or unclaimed as at the end of the year : Rs. 30.71 crores

(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

(i) at the beginning of the year : Nil

(ii) maximum during the year : Nil

(iii) at the end of the year : Nil

The Company has not accepted any deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

STATUS OF UNCLAIMED / UNPAID AMOUNT

(A) As on March 31, 2016, Rs. 2,16,445/- were lying as unclaimed/ unpaid in the Company's IPO refund account.

(B) As on March 31, 2016, Rs. 4,73,764.60 were lying as unclaimed / unpaid dividend as under:

Financial Year	Type of dividend	Date of declaration of dividend	Total dividend (Rs.)	Unclaimed dividend		Due date for transfer to IEPF*
				(Rs.)	(%)	
2012-13	Final	September 18, 2013	17,91,00,000	1,26,688	0.07	October 24, 2020
2013-14	Interim	January 20, 2014	26,86,50,000	55,767	0.02	February 25, 2021
2013-14	Final	September 13, 2014	26,86,50,000	35,220	0.01	October 13, 2021
2014-15	Final	September 19, 2015	57,31,20,000	2,56,089.60	0.04	October 24, 2022

* Investor Education and Protection Fund

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans / guarantees given and investments made form part of the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the year were in the ordinary course of business and on arm's length basis. During the year, your Company had not entered into any contract / arrangement / transaction with related parties, which could be considered as material in accordance with the Company's Policy on Materiality of Related Party Transactions & Dealing with Related Party. Hence, disclosure in Form AOC-2 is not required. Details of related parties and transactions with them, as required by the Accounting Standards (AS-18) have been disclosed in the Notes forming part of the financial statements.

CREDIT RATING

CRISIL Limited vide its letter dated August 7, 2015, has reaffirmed CRISIL A/Stable (Long-Term Rating) and CRISIL A1 (Short-Term Rating) to the total bank facilities (Rs.3,850 crores).

India Ratings & Research Private Limited, a Fitch Group Company, vide its letter dated February 2, 2016, has assigned IND A1+ rating to the additional commercial paper programme (Rs.100 crores) of the Company and also affirmed IND A1+ rating to the existing commercial paper programme (Rs.100 crores).

Credit Analysis & Research Limited vide its letter dated February 1, 2016, has reaffirmed CARE A+ (FD) to the deposits programme (Rs.200 crores) of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF REPORT

After end of the year under review, your Company:

(1) Issued and allotted 42,69,984 Compulsorily Convertible Debentures having face value of Rs.1,000/- each, at par, by way of a preferential allotment on private placement basis to DVI Fund (Mauritius) Ltd.

(2) Subject to receipt of necessary approvals proposed to issue and allot 25,73,72,912 Compulsorily Convertible Preference Shares having face value of Rs.10/- each, by way of preferential allotment on private placement basis to certain Investors.

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

(A) CONSERVATION OF ENERGY

In its endeavour towards conservation of energy your Company equipped all its offices, showrooms and manufacturing units with LED lights.

(B) TECHNOLOGY ABSORPTION

The Company has not carried out any research and development activities.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Earnings : Rs.2,094.02 crores

Outgo : Rs.2.80 crores

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy against Sexual Harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the year, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2016.

RISK MANAGEMENT

Your Company has put in place a Risk Management Policy to define a framework for identification, assessment and mitigation of risk. In the opinion of the Board, there are no risks which may threaten the existence of the Company.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has formulated a Whistle Blower Policy / Vigil Mechanism, which provides a formal mechanism for all employees and Directors of the Company to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or an event he becomes aware of that could have a detrimental effect on the business or reputation of the Company and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. The Policy has been posted on the Company's website. No person was denied access to the Chairperson of the Audit Committee to report any concern.

BOARD EVALUATION

In accordance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of your Company on the recommendation of Nomination and Remuneration Committee, laid down Criteria for evaluation of Board, its Committees and individual Directors and accordingly carried out the evaluation process. The process was based on evaluation forms, which include a rating mechanism. Independent Directors at their separate meeting also reviewed the performance of the Board as a whole, Non-Independent Directors and the Chairman.

The criteria for performance evaluation of Board and its Committees amongst others includes their structure and composition, processes, information and functioning, terms of reference of the Committees, suggestions / recommendations by the Committees to the Board etc.

The criteria for performance evaluation of Directors including Executive & Independent Directors amongst others includes their attendance and contribution at meetings, devotion of time and effort to understand the Company, its business, their duties and responsibilities, leadership qualities and effectiveness of communication with all stakeholders, impact and influence on Board / Committees and adherence to the Code of Conduct etc.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EMPLOYEES STOCK OPTION PLAN

Your Company has granted 7,26,300 stock options to the eligible employees of the Company on May 14, 2015. Each option entitles the Grantee thereof to apply for and be allotted one equity share of the Company upon vesting. The necessary disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 is annexed as "**Annexure –1**."

AUDITORS AND THEIR REPORT

STATUTORY 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), were appointed as Statutory Auditors of the Company for 5 years and 2 years respectively in the 10th Annual General Meeting of the Company held on September 19, 2015, subject to ratification by the Members at every Annual General Meeting. The Company has received their consent letters and eligibility certificates under Sections 139 and 141 of the Companies Act, 2013. As

required under Regulation 33 of the Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Board of Directors recommends their appointment for ratification in the 11th Annual General Meeting.

The notes to the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further explanations or comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Shri Randhir Singh Sharma, Practicing Company Secretary, New Delhi to conduct the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report is annexed herewith as "**Annexure - 2**" to this Report. The Secretarial Audit Report does not contain any qualification, observation or adverse remarks.

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 as stipulated under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is annexed as "**Annexure–3**" to this report.

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, is annexed as"**Annexure–4**" to this Report.

CORPORATE SOCIAL RESPONSIBILITY

Social responsibility has always been at the forefront of your Company's operating philosophy. As a responsible corporate citizen, the Company tries to contribute towards social causes on a regular basis. The Corporate Social Responsibility Policy of the Company is placed on its website www.pcjeweller.com. CSR programs or projects to be undertaken by the Company in terms of this Policy, shall relate to one or more activities listed in Schedule VII of the Companies Act, 2013, at present or as may be amended from time to time. The CSR Committee comprises of Dr. Manohar Lal Singla, Independent Director (Chairman), Shri Krishan Kumar Khurana, Independent Director (Member) and Shri Ramesh Kumar Sharma, Executive Director (Member). The Annual Report on CSR activities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014, in the prescribed format, is annexed as "**Annexure – 5**" to this Report.

POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION AND CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF A DIRECTOR

The Company's Policy on Directors' appointment & remuneration and Criteria for determining qualifications, positive attributes & independence of a Director are annexed as "**Annexure – 6**" and "**Annexure –7**" to this Report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT-9 is annexed as "**Annexure –8**"to this report.

ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, cooperation and dedication during the year. Your Directors also sincerely convey their appreciation to customers, shareholders, vendors, bankers, regulatory and government authorities for their continued support.

For and on behalf of the Board
PC Jeweller Limited

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

Date: August 18, 2016
Place: New Delhi

Annexure - 1

STATEMENT PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

1.	Date of shareholders' approval	Members in the Extra-ordinary General Meeting of the Company held on September 26, 2011 approved PC Jeweller Limited Employee Stock Option Plan 2011 ("**ESOP 2011**"). After listing of the Company on BSE Limited ("**BSE**") & National Stock Exchange of India Limited ("**NSE**") ESOP 2011 was further ratified by Members in the 8th Annual General Meeting of the Company held on September 18, 2013.
2.	Total number of Options approved under ESOP	26,79,330
3.	Vesting requirements	The Options granted shall vest so long as the employee continues to be in the employment of the Company i.e. the Options will lapse if the employment is terminated prior to vesting. Even after the Options are vested, the un-exercised Options may be forfeited if the services of the employee are terminated for reasons specified in ESOP 2011. Vesting of the Options shall take place over a period of 4 years (as specified below) with a minimum vesting period of 1 year from the Grant date: · 10% of the Options shall vest on completion of 12 months from the Grant date. · 20% of the Options shall vest on completion of 24 months from the Grant date. · 30% of the Options shall vest on completion of 36 months from the Grant date. · 40% of the Options shall vest on completion of 48 months from the Grant date.
4.	Exercise price	Rs.10/-
5.	Maximum term of Options granted	8 years from the Grant date
6.	Source of shares	Primary
7.	Variation in terms of Options	None
8.	i) Method used to account for ESOP	Intrinsic Value Method
	ii) The difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	If the Company had used the fair value method, the employee compensation cost would have been lower by Rs. 70,546/-.
	iii) The impact of this difference on profits and on EPS of the company	If the Company had used the fair value method for calculating the employee compensation cost, the profit before tax would have been higher by Rs. 70,546/-. However, there would be no change in EPS.
9.	Option movement during the year:	
	i) Number of Options outstanding at the beginning of the period	Nil
	ii) Number of Options granted during the year	7,26,300
	iii) Number of Options forfeited / lapsed during the year	Nil
	iv) Number of Options vested during the year	Nil
	v) Number of Options exercised during the year	Not Applicable as number of Options vested during the year is nil.
	vi) Number of shares arising as a result of exercise of Options	Not Applicable as number of Options exercised during the year is nil.
	vii) Money realized by exercise of Options	Not Applicable as number of Options exercised during the year is nil.
	viii) Loan repaid by the Trust during the year from exercise price received	Not Applicable
	ix) Number of Options outstanding at the end of the year	7,26,300
	x) Number of Options exercisable at the end of the year	Nil

10.	Weighted-average exercise prices and weighted-average fair values of Options, whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price per Option: Rs. 10/- Weighted-average fair value per Option: Rs. 318.22		
11.	Employee wise details of Options granted to -	Name	Designation	No. of Options granted during the financial year 2015-16
	(i) Senior Managerial Personnel	Shri Ramesh Kumar Sharma*	Executive Director & Chief Operating Officer	88,000
		Shri Sanjeev Bhatia*	Chief Financial Officer	88,000
		Shri Rajaram Sugla*	President (Accounts & Taxation)	85,000
		Shri Kuldeep Singh*	President (Audit & Projects)	85,000
		Shri T. M. Lakshmikanthan	President (HR & Business Development)	20,000
		Shri Vijay Panwar	Company Secretary	30,000
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None		
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None		
12.	(i) A description of the method used during the year to estimate the fair value of Options, weighted-average fair value and weighted-average exercise price of Options granted.	The fair value of the Options granted has been calculated using Black Scholes option pricing model. Weighted average fair value per Option: Rs.318.22 Weighted average exercise price per Option: Rs.10/-		
	(ii) significant assumptions used during the year to estimate the fair value of Options:			
	(a) Expected volatility	52.61%		
	(b) Expected option life	5 years – 8 years		
	(c) Risk-free interest rate	7.97% - 8.04%		
	(d) Expected dividends	0.71%		
	(iii) Methodology for determination of expected volatility	The volatility used in the Black Scholes option pricing model is the annualized standard deviation of the continuously compounded rate of return of the stock over a period of time. Informal tests and preliminary research tends to confirm that estimates of the expected long-term future volatility should be based on historical volatility for a period that approximates the expected life of the Options being valued. The Company got listed on BSE & NSE on December 27, 2012. The volatility is determined by taking into account the period since the listing of the Company.		

* Received grant amounting to more than 5% of options granted during the year.

Annexure – 2

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PC Jeweller Limited,
C-54, Preet Vihar, Vikas Marg,
Delhi – 110092

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions, as applicable to the Company during the period, of:

(I) The Companies Act, 2013 (the Act) and the rules made there under;

(II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(III) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of Regulation 55A;

(IV) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
2. The Securities and Exchange Board India (Prohibition of Insider Trading) Regulations, 1992, which were applicable up to May 14, 2015 and thereafter Securities and Exchange Board India (Prohibition of Insider Trading) Regulations, 2015 from December 1, 2015.;
3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
5. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: [**Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review**]
6. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: [**Not applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review**]; and
8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: [**Not applicable as the Company has not bought back/proposed to buyback any of its securities during the financial year under review**].

(VI) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on the sector/industry, are:

1. The Standards of Weights and Measures Act, 1976
2. Shops and Establishment Act
3. Bureau of Indian Standards Act, 1986
4. The Legal Metrology Act, 2009 and The Legal Metrology (Packaged Commodities) Rules, 2011

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

(I). Secretarial Standards issued by The Institute of Company Secretaries of India applicable w.e.f. July 1, 2015.

(II). The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed, which were applicable up to November 30, 2015 and thereafter SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 from December 1, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were generally sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

All decisions of the Board meetings and committee meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with Central, State and specific applicable laws including labour laws, environmental and industrial laws, rules, regulations and guidelines.

I further report that during the audit period, the Company does not have any specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above and that the Company has complied with minimum public shareholding.

For **R S Sharma & Associates**
Company Secretaries

Sd/-
(RANDHIR SINGH SHARMA)
Practicing Company Secretary
Membership No.: FCS-2062
C.P. No.: 3872

Place: New Delhi
Date: 08/08/2016

Note: This report is to be read with my letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

ANNEXURE-A

To,
The Members,
PC Jeweller Limited
C-54, Preet Vihar, Vikas Marg,
Delhi – 110092

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of secretarial records and procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R S Sharma & Associates**
Company Secretaries

Sd/-
(RANDHIR SINGH SHARMA)
Practicing Company Secretary
Membership No.: FCS-2062
C.P. No.: 3872

Place: New Delhi
Date: 08/08/2016

Annexure - 3

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members of
PC Jeweller Limited,
C – 54, Preet Vihar, Vikas Marg,
Delhi - 110092

I have examined all relevant records of PC Jeweller Limited (the "**Company**") for the purpose of certifying the compliance of conditions of Corporate Governance for the year ended 31st March, 2016 under Clause 49 of the Listing Agreement with Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule V of these Regulations, effective from December 1, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Clause 49 of the Listing Agreement for the period from April 1, 2015 to November 30, 2015 except compliance of proviso to Clause 49(II)(A)(2) for the period from April 1, 2015 to September 18, 2015. Further, the Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the period from December 1, 2015 to March 31, 2016.

I 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**
Company Secretaries

Sd/-
(RANDHIR SINGH SHARMA)
Practicing Company Secretary
Membership No.: FCS-2062
C.P. No.: 3872

Place: New Delhi
Date: 08/08/2016

PC Jeweller

Annexure - 4

PARTICULARS OF EMPLOYEES

(A) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

Median remuneration of employees for the financial year 2015-16: Rs.1,74,360/-

Name of Director	Ratio
Non-Executive Director	
Shri Padam Chand Gupta	1.46
Mrs. Kusum Jain	0.52
Dr. Manohar Lal Singla	1.06
Shri Krishan Kumar Khurana	1.12
Shri Miyar Ramanath Nayak	0.75
Shri Suresh Kumar Jain*	0.46
Executive Director	
Shri Balram Garg	344.12
Shri Ramesh Kumar Sharma	15.66

* Shri Suresh Kumar Jain was appointed as Director w.e.f. September 19, 2015.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16:

Name	Percentage increase in remuneration
Non-Executive Director^	
Shri Padam Chand Gupta	54.55%
Mrs. Kusum Jain	@
Dr. Manohar Lal Singla	42.31%
Shri Krishan Kumar Khurana	30.00%
Shri Miyar Ramanath Nayak	62.50%
Shri Suresh Kumar Jain	#
Executive Director	
Shri Balram Garg	Nil
Shri Ramesh Kumar Sharma	Nil*
Chief Financial Officer	
Shri Sanjeev Bhatia	Nil**
Company Secretary	
Shri Vijay Panwar	Nil***

^W.e.f. September 1, 2015 the sitting fee payable to the Non-Executive Directors for attending each meeting of the Board and any of its Committees had been increased to Rs.40,000/- and Rs.10,000/- respectively from Rs.10,000/- and Rs.5,000/-.
@Details not given as Mrs. Kusum Jain was Director only for one day during the financial year 2014-15 i.e. w.e.f. March 31, 2015.
#Details not given as Shri Suresh Kumar Jain was not a Director during the financial year 2014-15.
*After the end of the year under review the monthly salary of Shri Ramesh Kumar Sharma increased from Rs.2.10 lakhs to Rs.2.50 lakhs w.e.f. October 1, 2015 and arrears will be paid during the current year.
** After the end of the year under review the monthly salary of Shri Sanjeev Bhatia increased from Rs.2 lakhs to Rs.3 lakhs w.e.f. March 1, 2016 and arrear will be paid during the current year.
*** After the end of the year under review the monthly salary of Shri Vijay Panwar increased from Rs.1 lakhs to Rs.1.50 lakhs w.e.f. March 1, 2016 and arrear will be paid during the current year.

(iii) The percentage increase in the median remuneration of employees in the financial year 2015-16: 0.83%

(iv) The number of permanent employees on the rolls of company as on March 31, 2016: 2516

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in the remuneration of all employees and managerial personnel was Nil during the year.

Affirmation:

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

(B) STATEMENT AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Employed throughout the financial year and in receipt of remuneration aggregating not less than Rs.102 lakhs per annum

Name	:	Shri Balram Garg
Designation	:	Managing Director
Remuneration received	:	Rs.600 lakhs
Nature of employment	:	Contractual
Qualification	:	B.Com.
Experience	:	27 Years
Date of commencement of employment	:	April 16, 2005
Age	:	46 Years
Previous employment	:	None
Percentage of Equity Shares held	:	37.38%
Relative Director	:	Shri Padam Chand Gupta (Brother) Mrs. Kusum Jain (Sister)

(ii) Employed for part of the year and in receipt of remuneration aggregating not less than Rs.8.50 lacs or more per month

None

(iii) Employed throughout the financial year or part thereof, and was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Not Applicable

Annexure - 5

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

   The Board of the Company at its meeting held on November 12, 2014 approved the Corporate Social Responsibility Policy. The Policy outlines the Company's philosophy as a responsible corporate citizen of India. It also lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community, in the local area and around areas of operations of the Company including other parts of the Country. CSR programs or projects to be undertaken by the Company in terms of the Policy, shall relate to one or more activities listed in Schedule VII of the Companies Act, 2013, at present or as may be amended from time to time. The Corporate Social Responsibility Policy of the Company is available on the website of the Company and can be accessed through the link http://www.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/PCJ_CSR%20Policy.pdf.

2. **Composition of the CSR Committee:**
   1. Dr. Manohar Lal Singla, Independent Director (Chairman)
   2. Shri Krishan Kumar Khurana, Independent Director (Member)
   3. Shri Ramesh Kumar Sharma, Executive Director (Member)

3. **Average net profit of the Company for last three financial years:** Rs.474.23 crores

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs.9.48 crores

5. **Details of CSR spent during the financial year:**
   (a) Total amount to be spent for the financial year: Rs.9.48 crores
   (b) Amount unspent, if any: Rs.7.73 crores
   (c) Manner in which the amount spent during the financial year is detailed below:

(**Rs. in crores**)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto to the reporting period**	**Amount spent: Direct or through implementing agency**
1.	Construction of classrooms at Maharaja Agrasen Institute of Technology	Clause (ii) of Schedule VII: Promoting Education	Rohini, Delhi	1.75	1.75	1.75	Through implementing agency: Maharaja Agrasen Technical Education Society
	TOTAL			1.75	1.75	1.75	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:**

   The Company is still in initial stages of setting up the requisite infrastructure for identifying and carrying out suitable and sustainable CSR activities in line with the requirements of Schedule VII. Hence, full amount could not be spent during the year. However, the Company will try to ensure compliance with the requirements in future.

7. **Responsibility Statement:**

   The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and Policy of the Company.

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

Sd/-
(MANOHAR LAL SINGLA)
(**Chairman CSR Committee**)

Annexure – 6

NOMINATION & REMUNERATION POLICY

1) PREFACE

PC Jeweller Limited (the "**Company**") has always considered human resources as invaluable assets of the Company. The Nomination & Remuneration Policy (the "**Policy**") of the Company is designed to identify the person for appointment as Director, Key Managerial Personnel ("KMP") and other Senior Management Personnel ("SMP") and to attract, motivate, improve productivity and retain manpower by creating a congenial work atmosphere, encouraging initiatives, personal growth and team work by creating a sense of belonging and involvement, besides offering appropriate remuneration packages and to ensure that the remuneration to Directors, KMP and other SMP matches the levels prevailing in the industry and comparable companies, whilst also taking into consideration the required competencies, efforts and scope of their responsibilities and duties.

In accordance with the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder and amended Clause 49 of the Listing Agreements with Stock Exchanges, the Nomination and Remuneration Committee, is required to identify persons who are qualified to become directors and recommend to the Board a policy, relating to the remuneration of the Directors, KMP and other employees. In order to comply with this requirement, the Nomination and Remuneration Committee has recommended this Policy and the Board of the Company approved the same at its meeting held on November 12, 2014.

2) POLICY OBJECTIVE

The objective of this Policy is to recommend to the Board a policy, relating to the nomination of persons who are qualified to become Directors and remuneration of the Directors, KMP and other employees.

3) DEFINITIONS

3.1) "**Act"** means the Companies Act, 2013.

3.2) "**Board**" means the Board of Directors of the Company.

3.3) "**Company**" means PC Jeweller Limited.

3.4) **"Director"** means a Director appointed on the Board of the Company.

3.5) **"Independent Director"** means a director as defined under the Act and the Listing Agreements with Stock Exchanges.

3.6) **"Key Managerial Personnel (KMP)"** means the person(s) appointed as such under Section 203 of the Act.

3.7) **"Nomination and Remuneration Committee (Committee)"** means a Committee of Board of the Company, constituted in accordance with the provisions of Section 178 of the Act read with Clause 49 of the Listing Agreements with Stock Exchanges.

3.8) **"Policy"** means Nomination & Remuneration Policy.

3.9) **"Senior Management Personnel (SMP)"** means personnel of the Company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act or Clause 49 of the Listing Agreements with Stock Exchanges, as may be amended from time to time shall have the same meaning respectively assigned to them therein.

4) APPOINTMENT OF DIRECTORS, KMP & SMP

4.1) The Committee shall identify and ascertain the qualifications, expertise and experience of the person for appointment as Director, and recommend to the Board his/her appointment. Before recommending a person's candidature to the Board, the Committee may consider following criteria as guidelines:

- Individuals of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Individuals having financial or business literacy/skills.
- Individuals having jewellery industry experience.
- Individuals having other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of the Act and Rules made thereunder and Clause 49 of Listing Agreement, as amended from time to time.

4.2) A person to be appointed as KMP or SMP should possess adequate relevant qualification, expertise and experience for the position he / she is considered for.

4.3) The Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate and to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for appointment as Director / KMP / SMP.

5) REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR

5.1) REMUNERATION

The Whole-time / Executive / Managing Director will be eligible for remuneration by way of salary, allowances, perquisites and other benefits, if any, as may be approved by the shareholders on the recommendation of the Board and the Committee. They may also be paid commission based on the net profits of the Company.

However, the remuneration / commission etc. to be paid to the Whole-time / Executive / Managing Director shall be in accordance with the provisions of the Act and the Rules made thereunder or any other law for the time being in force, as may be amended from time to time.

5.2) MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Executive / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

6) REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

6.1) SITTING FEES

Non-Executive / Independent Director will receive such remuneration by way of sitting fee for attending meetings of the Board or Committees thereof, as may be approved by the Board from time to time:

Provided that the amount of such fee shall not exceed Rupees one lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

6.2) COMMISSION

Commission may be paid to Non-Executive / Independent Director within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company, if there is a Managing or Whole-time Director, or 3% of the net profits of the Company in any other case.

6.3) STOCK OPTIONS

An Independent Director shall not be entitled to any stock option of the Company.

7) REMUNERATION TO KMP (EXCLUDING WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR) AND SMP

The KMP (excluding Whole-time / Executive / Managing Director) and SMP of the Company will be paid remuneration by way of salary, allowances, perquisites and other benefits, if any, as per the Company's policies and / or as may be approved by the Committee based on their experience, expertise, qualifications, scope of responsibilities and duties, industry standards etc.

8) REMUNERATION TO OTHER EMPLOYEES

Other employees of the Company will be paid remuneration as per the Company's policies and / or as may be decided by the Managing Director based on their experience, expertise, qualifications etc.

9) GENERAL

9.1) The Policy will apply to all employment(s) / engagement(s) with the Company, whether continuing or future.

9.2) In addition to normal / regular remuneration, PC Jeweller Limited Employee Stock Option Plan 2011 ("ESOP 2011") is also in place for eligible employees of the Company. The objectives of the ESOP 2011 are to attract, motivate and retain talent and reward loyalty etc.

9.3) The remuneration / commission etc. to the Whole-time / Executive / Non-Executive / Managing / Independent Director will be recommended by the Committee to the Board for approval and shall be subject to the approval of the shareholders of the Company and/or Central Government, wherever required.

9.4) The Remuneration to be paid to KMP, SMP and other employees shall also be governed by the limits and requirements, if any, as may be prescribed under the Act and Rules made thereunder or any other law for the time being in force.

9.5) Where any insurance is taken by the Company on behalf of its Directors and KMP for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel:

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

10) SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and of the Listing Agreement / Act or any other statutory enactments, rules, the provisions of such Listing Agreement / Act or statutory enactments, rules shall prevail over this Policy.

11) AMENDMENT

The Board on its own or as per the recommendations of the Committee can amend or modify this Policy in whole or in part, as and when deem fit.

Annexure – 7

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

1) PREFACE

In accordance with the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder and amended Clause 49 of the Listing Agreements with Stock Exchanges, the Nomination and Remuneration Committee, is required to formulate criteria for determining qualifications, positive attributes and independence of a director. Accordingly, the Nomination and Remuneration Committee has recommended this criteria and the Board of the Company approved the same at its meeting held on November 12, 2014.

2) CRITERIA OBJECTIVE

The objective of the criteria is to determine qualifications, positive attributes and independence of a director.

3) CRITERIA FOR DETERMINING QUALIFICATIONS FOR APPOINTMENT OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS)

- Individuals of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Individuals having financial or business literacy/skills.
- Individuals having jewellery industry experience.
- Individuals having other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of the Act and Rules made thereunder and Clause 49 of Listing Agreement, as amended from time to time.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

4) CRITERIA FOR DETERMINING POSITIVE ATTRIBUTES OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS)

- Should demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Should uphold ethical standards of integrity and probity and act objectively and constructively.
- Should be forward looking, ethical and law abiding.
- Should actively update knowledge and skills with the latest developments in the jewellery industry, market conditions and applicable legal provisions.
- Should be willing to devote sufficient time and attention to professional obligations for informed and balanced decision making and discharge responsibilities in a bona-fide manner in the interest of the company.
- Should assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, resources, key appointments and standards of conduct.
- Should have ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- Should act within authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors should meet the requirements of the Act and Rules made thereunder and Clause 49 of the Listing Agreement, as amended from time to time.

5) CRITERIA FOR DETERMINING INDEPENDENCE OF INDEPENDENT DIRECTORS

An Independent director should meet the requirements of the Act and the Rules made thereunder and Clause 49 of the Listing Agreement, as amended from time to time, concerning independence of directors.

5.1) INDEPENDENCE REVIEW PROCEDURES

5.1.1) ANNUAL REVIEW

The director's independence for the independent director will be reviewed by the Board on an annual basis upon the declarations made by such Directors as per the provisions of the Act and the Rules made thereunder / Listing Agreement.

5.1.2) NOTICE OF CHANGE OF INDEPENDENT STATUS

Each independent director has an affirmative obligation to inform the Board of any change in circumstances that may affect his or her independence.

6) AMENDMENT

The Board on its own or as per the recommendations of the Committee can amend or modify this Policy in whole or in part, as and when deem fit.

Annexure – 8

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	**CIN**	L36911DL2005PLC134929
ii)	**Registration Date**	April 13, 2005
iii)	**Name of the Company**	PC Jeweller Limited
iv)	**Category / Sub-Category of the Company**	Limited by shares / Non-Government Company
v)	**Address of the Registered office and contact details**	C-54, Preet Vihar, Vikas Marg, Delhi–110092 Tel: 011-49714971, Fax: 011-49714972 e-mail: info@pcjeweller.com
vi)	**Whether listed company (Yes / No)**	Yes (Listed on BSE Limited and National Stock Exchange of India Limited)
vii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 (Telangana) Tel: 040-67161500, Fax: 040-23420814 E-mail: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Jewellery	3211 (As per NIC-2008)	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	**PC Universal Private Limited** T-302, Raj Kamal Sadan, Plot No.14, Preet Vihar Community Centre, Delhi-110092	U36912DL2013PTC248867	Subsidiary	100	2(87)
2.	**Transforming Retail Private Limited** 2716, First Floor, Bank Street, Karol Bagh, Delhi-110005	U52100DL2014PTC271871	Subsidiary	100	2(87)
3.	**Luxury Products Trendsetter Private Limited** 2716, Ground Floor, Bank Street, Karol Bagh, Delhi - 110005	U52393DL2015PTC288371	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2015)				No. of Shares held at the end of the year (31/03/2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter Group									
(1) Indian									
a) Individual/ HUF	126352850	0	126352850	70.55	126352850	0	126352850	70.55	0.00
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt.(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other….	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(1)	126352850	0	126352850	70.55	126352850	0	126352850	70.55	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other….	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoters & Promoter Group (A) = (A)(1)+(A)(2)	**126352850**	**0**	**126352850**	**70.55**	**126352850**	**0**	**126352850**	**70.55**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	399090	0	399090	0.22	0	0	0	0	(0.22)
b) Banks / FI	4292	0	4292	0	4838	0	4838	0	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	31610413	0	31610413	17.65	36381266	0	36381266	20.31	2.66
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1)	32013795	0	32013795	17.87	36386104	0	36386104	20.31	2.44
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	10610815	0	10610815	5.93	6262518	0	6262518	3.50	(2.43)
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2051477	843	2052320	1.15	1984265	844	1985109	1.11	(0.04)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	7847316	0	7847316	4.38	7621194	0	7621194	4.26	(0.12)
c) Others									
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
Non Resident Indians	168021	0	168021	0.09	257623	0	257623	0.14	0.05
Clearing Members	54883	0	54883	0.03	233108	0	233108	0.13	0.10
Trusts	0	0	0	0	0	0	0	0	0.00
NBFC	0	0	0	0	1494	0	1494	0	0.00
Sub-total (B)(2)	20732512	843	20733355	11.58	16360202	844	16361046	9.14	(2.44)
Total Public Shareholding (B)=(B) (1)+(B)(2)	**52746307**	**843**	**52747150**	**29.45**	**52746306**	**844**	**52747150**	**29.45**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	**179099157**	**843**	**179100000**	**100**	**179099156**	**844**	**179100000**	**100**	**0.00**

B. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri Balram Garg	66951050	37.38	0	66951050	37.38	0	0
2	Shri Padam Chand Gupta	50371800	28.12	0	50371800	28.12	0	0
	Total	**117322850**	**65.51**	**0**	**117322850**	**65.51**	**0**	**0**

C. Change in Promoters' Shareholding

There was no change in Promoters' shareholding during financial year 2015-16.

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**IDRIA LIMITED**				
	At the beginning of the year (01/04/2015)	7889718	4.41		
	Increase/(Decrease) in Shareholding during the year				
	11-12-2015 - Purchase	960670	0.54	8850388	4.94
	18-12-2015 - Purchase	225330	0.13	9075718	5.07
	At the End of the year (31/03/2016)			9075718	5.07
2	**DVI FUND MAURITIUS LTD**				
	At the beginning of the year (01/04/2015)	4992819	2.79		
	Increase/(Decrease) in Shareholding during the year				
	12-02-2016 - Purchase	44300	0.02	5037119	2.81
	04-03-2016 - Purchase	1219222	0.68	6256341	3.49
	11-03-2016 - Purchase	198290	0.11	6454631	3.60
	18-03-2016 - Purchase	199833	0.11	6654464	3.72
	At the End of the year (31/03/2016)			6654464	3.72
3	**MAWER INVESTMENT MANAGEMENT LTD. A/C MAWER GLOBAL SMALL CAP FUND**				
	At the beginning of the year (01/04/2015)	2589244	1.45		
	Increase/(Decrease) in Shareholding during the year				
	30-06-2015 - Purchase	34000	0.02	2623244	1.46
	21-08-2015 - Purchase	391556	0.22	3014800	1.68
	28-08-2015 - Purchase	309636	0.17	3324436	1.86
	25-09-2015 - Purchase	42534	0.02	3366970	1.88
	30-09-2015 - Purchase	16240	0.01	3383210	1.89
	02-10-2015 - Purchase	116003	0.06	3499213	1.95
	29-01-2016 - Purchase	1201	0.00	3500414	1.95
	05-02-2016 - Purchase	64421	0.04	3564835	1.99
	12-02-2016 - Purchase	444378	0.25	4009213	2.24
	04-03-2016 - Purchase	663018	0.37	4672231	2.61
	11-03-2016 - Purchase	265893	0.15	4938124	2.76
	18-03-2016 - Purchase	70358	0.04	5008482	2.80
	25-03-2016 - Purchase	174897	0.10	5183379	2.89
	31-03-2016 - Purchase	195949	0.11	5379328	3.00
	At the End of the year (31/03/2016)			5379328	3.00
4	**KRISHNA DEVI**				
	At the beginning of the year (01/04/2015)	5340000	2.98		
	Increase/(Decrease) in Shareholding during the year	0	0.00	5340000	2.98
	At the End of the year (31/03/2016)			5340000	2.98

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	**STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL**				
	At the beginning of the year (01/04/2015)	0	0.00		
	Increase/(Decrease) in Shareholding during the year				
	21-08-2015 - Purchase	3458423	1.93	3458423	1.93
	06-11-2015 - Transfer	(100978)	(0.06)	3357445	1.87
	13-11-2015 - Transfer	(12629)	(0.01)	3344816	1.87
	At the End of the year (31/03/2016)			3344816	1.87
6	**SHIVANI GUPTA**				
	At the beginning of the year (01/04/2015)	2940000	1.64		
	Increase/(Decrease) in Shareholding during the year	0	0.00	2940000	1.64
	At the End of the year (31/03/2016)			2940000	1.64
7	**UDAY KUMAR BISHNOI**				
	At the beginning of the year (01/04/2015)	1487884	0.83		
	Increase/(Decrease) in Shareholding during the year				
	17-04-2015 - Purchase	147718	0.08	1635602	0.91
	24-04-2015 - Purchase	63845	0.04	1699447	0.95
	01-05-2015 - Purchase	39071	0.02	1738518	0.97
	08-05-2015 - Purchase	25890	0.01	1764408	0.99
	15-05-2015 - Purchase	50	0.00	1764458	0.99
	At the End of the year (31/03/2016)			1764458	0.99
8	**GLOBE CAPITAL MARKET LTD**				
	At the beginning of the year (01/04/2015)	549733	0.31		
	Increase/(Decrease) in Shareholding during the year				
	03/04/2015 - Transfer	(189)	(0.00)	549544	0.31
	10/04/2015 - Transfer	(29378)	(0.02)	520166	0.29
	17/04/2015 - Purchase	40553	0.02	560719	0.31
	24/04/2015 - Transfer	(349432)	(0.20)	211287	0.12
	01/05/2015 - Purchase	24754	0.01	236041	0.13
	08/05/2015 - Transfer	(8925)	(0.00)	227116	0.13
	15/05/2015 - Transfer	(19491)	(0.01)	207625	0.12
	22/05/2015 - Transfer	(12027)	(0.01)	195598	0.11
	29/05/2015 - Transfer	(631)	(0.00)	194967	0.11
	05/06/2015 - Transfer	(40445)	(0.02)	154522	0.09
	12/06/2015 - Purchase	200512	0.11	355034	0.20
	19/06/2015 - Transfer	(10695)	(0.01)	344339	0.19
	26/06/2015 - Purchase	383802	0.21	728141	0.41
	30/06/2015 - Transfer	(5080)	(0.00)	723061	0.40
	03/07/2015 - Transfer	(50587)	(0.03)	672474	0.38
	10/07/2015- Transfer	(209778)	(0.12)	462696	0.26
	17/07/2015 - Transfer	(100)	(0.00)	462596	0.26
	24/07/2015 - Transfer	(189552)	(0.11)	273044	0.15
	31/07/2015 - Transfer	(240898)	(0.13)	32146	0.02
	07/08/2015 - Purchase	361	0.00	32507	0.02
	14/08/2015 - Purchase	4005	0.00	36512	0.02
	21/08/2015 - Purchase	25616	0.01	62128	0.03
	28/08/2015 - Transfer	(44999)	(0.03)	17129	0.01
	04/09/2015 - Purchase	46875	0.03	64004	0.04
	11/09/2015 - Transfer	(50666)	(0.03)	13338	0.01
	18/09/2015 - Transfer	(3000)	(0.00)	10338	0.01
	25/09/2015 - Purchase	4129	0.00	14467	0.01
	30/09/2015 - Transfer	(964)	(0.00)	13503	0.01

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	02/10/2015 - Transfer	(563)	(0.00)	12940	0.01
	09/10/2015 - Purchase	295071	0.16	308011	0.17
	16/10/2015 - Transfer	(97417)	(0.05)	210594	0.12
	23/10/2015 - Purchase	34983	0.02	245577	0.14
	30/10/2015 - Purchase	25022	0.01	270599	0.15
	06/11/2015 - Transfer	(50381)	(0.03)	220218	0.12
	13/11/2015 - Purchase	11982	0.01	232200	0.13
	20/11/2015 - Transfer	(190251)	(0.11)	41949	0.02
	27/11/2015 - Purchase	87	0.00	42036	0.02
	04/12/2015 - Purchase	7319	0.00	49355	0.03
	11/12/2015 - Transfer	(36430)	(0.02)	12925	0.01
	18/12/2015 - Purchase	26157	0.01	39082	0.02
	25/12/2015 - Purchase	24990	0.01	64072	0.04
	31/12/2015 - Purchase	220616	0.12	284688	0.16
	01/01/2016 - Purchase	1	0.00	284689	0.16
	08/01/2016 - Transfer	(99004)	(0.06)	185685	0.10
	15/01/2016 - Transfer	(49911)	(0.03)	135774	0.08
	22/01/2016 - Transfer	(42652)	(0.02)	93122	0.05
	29/01/2016 - Purchase	30439	0.02	123561	0.07
	12/02/2016 - Transfer	(194)	(0.00)	123367	0.07
	19/02/2016 - Purchase	2201	0.00	125568	0.07
	26/02/2016 - Purchase	2346	0.00	127914	0.07
	04/03/2016 - Transfer	(5683)	(0.00)	122231	0.07
	11/03/2016 - Purchase	159599	0.09	281830	0.16
	18/03/2016 - Purchase	9021	0.01	290851	0.16
	25/03/2016 - Transfer	(46)	(0.00)	290805	0.16
	31/03/2016 - Purchase	1347133	0.75	1637938	0.91
	At the End of the year (31/03/2016)			1637938	0.91
9	**MANULIFE GLOBAL SMALL CAP FUND**				
	At the beginning of the year (01/04/2015)	1022709	0.57		
	Increase/(Decrease) in Shareholding during the year				
	15-05-2015 - Transfer	(61000)	(0.03)	961709	0.54
	22-05-2015 - Transfer	(85000)	(0.05)	876709	0.49
	30-06-2015 - Transfer	(34000)	(0.02)	842709	0.47
	21-08-2015 - Purchase	95863	0.05	938572	0.52
	28-08-2015 - Purchase	82946	0.05	1021518	0.57
	25-09-2015 - Purchase	12466	0.01	1033984	0.58
	30-09-2015 - Purchase	4760	0.00	1038744	0.58
	02-10-2015 - Purchase	33997	0.02	1072741	0.60
	04-03-2016 - Purchase	122023	0.07	1194764	0.67
	11-03-2016 - Purchase	68187	0.04	1262951	0.71
	18-03-2016 - Purchase	18042	0.01	1280993	0.72
	25-03-2016 - Purchase	44852	0.03	1325845	0.74
	31-03-2016 - Purchase	50243	0.03	1376088	0.77
	At the End of the year (31/03/2016)			1376088	0.77
10	**AMAR CHAND GARG (HUF)**				
	At the beginning of the year (01/04/2015)	1260600	0.70		
	Increase/(Decrease) in Shareholding during the year	0	0.00	1260600	0.70
	At the End of the year (31/03/2016)			1260600	0.70

Note: Top ten shareholders of the Company as on March 31, 2016 has been considered for the aforesaid disclosure.

E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Shri Balram Garg** (Managing Director)				
	At the beginning of the year (01/04/2015)	66951050	37.38		
	Increase / (Decrease) in Shareholding during the year	0	0	66951050	37.38
	At the end of the year (31/03/2016)			66951050	37.38
2	**Shri Padam Chand Gupta** (Non-Executive Director)				
	At the beginning of the year (01/04/2015)	50371800	28.12		
	Increase / (Decrease) in Shareholding during the year	0	0	50371800	28.12
	At the end of the year (31/03/2016)			50371800	28.12
3	**Shri Ramesh Kumar Sharma** (Executive Director)^				
	At the beginning of the year (01/04/2015)	3000	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year (31/03/2016)			3000	0
4	**Shri Krishan Kumar Khurana** (Non-Executive Director)				
	At the beginning of the year (01/04/2015)	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year (31/03/2016)			0	0
5	**Dr. Manohar Lal Singla** (Non-Executive Director)				
	At the beginning of the year (01/04/2015)	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year (31/03/2016)			0	0
6	**Shri Miyar Ramanath Nayak** (Non-Executive Director)				
	At the beginning of the year (01/04/2015)	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year (31/03/2016)			0	0
7	**Shri Suresh Kumar Jain** (Appointed w.e.f. 19/09/2015) (Non-Executive Director)				
	At the beginning of the year (19/09/2015)	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year (31/03/2016)			0	0
8	**Mrs. Kusum Jain** (Non-Executive Director)				
	At the beginning of the year (01/04/2015)	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year (31/03/2016)			0	0
9	**Shri Sanjeev Bhatia** (Chief Financial Officer)^				
	At the beginning of the year (01/04/2015)	1530	0		
	Increase / (Decrease) in Shareholding during the year	0	0	1530	0
	At the end of the year (31/03/2016)			1530	0
10	**Shri Vijay Panwar** (Company Secretary)*				
	At the beginning of the year (01/04/2015)	530	0		
	Increase / (Decrease) in Shareholding during the year				
	05/05/2015 - Transfer	(500)	0	30	0
	At the end of the year (31/03/2016)			30	0

^ During the year 88,000 stock options were granted to both Shri Ramesh Kumar Sharma and Shri Sanjeev Bhatia, which are not vested in them up to March 31, 2016.

* During the year 30,000 stock options were granted to Shri Vijay Panwar, which are not vested in him up to March 31, 2016.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	631.86	50.00	-	681.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.14	-	-	2.14
Total (i+ii+iii)	634.00	50.00	-	684.00
Change in Indebtedness during the financial year				
· Addition	242.27	46.66	30.97	319.90
· Reduction	-	-	0.26	0.26
Net Change	242.27	46.66	30.71	319.64
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	873.73	96.66	30.71	1001.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.54	-	-	2.54
Total (i+ii+iii)	876.27	96.66	30.71	1003.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(Rs. in lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Shri Balram Garg	Shri Ramesh Kumar Sharma	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600.00	21.10	621.10
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	6.20	6.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**600.00**	**27.30**	**627.30**
	Ceiling as per the Act			**5436.27**

Note:

1) During the year 88,000 stock options were granted to Shri Ramesh Kumar Sharma, which are not vested in him up to March 31, 2016.

2) After the end of the year under review the monthly salary of Shri Ramesh Kumar Sharma increased from Rs.2.10 lakhs to Rs.2.50 lakhs w.e.f. October 1, 2015 and arrears will be paid during the current year.

B. Remuneration to other Directors:

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Padam Chand Gupta	Mrs. Kusum Jain	Shri Krishan Kumar Khurana	Dr. Manohar Lal Singla	Shri Miyar Ramanath Nayak	Shri Suresh Kumar Jain*	
1	**Independent Directors**	N.A.	N.A.					
	· Fee for attending board/ committee meetings	-	-	1.95	1.85	1.30	0.80	5.90
	· Commission	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-
	Total (1)	**-**	**-**	**1.95**	**1.85**	**1.30**	**0.80**	**5.90**
2	**Other Non-Executive Directors**			N.A.	N.A.	N.A.	N.A.	
	· Fee for attending board/ committee meetings	2.55	0.90	-	-	-	-	3.45
	· Commission	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-
	Total (2)	**2.55**	**0.90**	**-**	**-**	**-**	**-**	**3.45**
	Total (B)=(1+2)	**2.55**	**0.90**	**1.95**	**1.85**	**1.30**	**0.80**	**9.35**
	Ceiling as per the Act							**543.63**
	Total Managerial Remuneration (A+B)							**636.65**
	Overall Ceiling as per the Act							**5979.90**

* Shri Suresh Kumar Jain was appointed as a Director w.e.f. September 19, 2015.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in lakhs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (Shri Vijay Panwar)	CFO (Shri Sanjeev Bhatia)	
1	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		7.00	20.00	27.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		6.00	6.00	12.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission				
	- as % of		-	-	-
	- others, specify…		-	-	-
5	Others, please specify		-	-	-
	Total		**13.00**	**26.00**	**39.00**

Note:

1) During the year 30,000 and 88,000 stock options were granted to Shri Vijay Panwar and Shri Sanjeev Bhatia respectively, which are not vested in them up to March 31, 2016.

2) After the end of the year under review the monthly salary of Shri Vijay Panwar increased from Rs.1 lakhs to Rs.1.50 lakhs w.e.f. March 1, 2016 and arrear will be paid during the current year.

3) After the end of the year under review the monthly salary of Shri Sanjeev Bhatia increased from Rs.2 lakhs to Rs.3 lakhs w.e.f. March 1, 2016 and arrear will be paid during the current year.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013, against the Company or its Directors or other Officers in Default, if any, during the year.

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is the combination of policies, practices and compliances with laws and regulations leading to effective control and management of the organisation. Adopting high standards with transparency not only gives comfort to the organisation's stakeholders including government and regulatory authorities, customers, bankers, employees and shareholders but also helps in enhancing its image and stakeholders value.

The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in its interactions with its stakeholders. The Company strongly believes that sound system of Corporate Governance practices go a long way in retaining investors trust, confidence and preserving the interest of all stakeholders. Your Company is committed to the adoption of, adherence to and maintaining the highest ethical standards and sound Corporate Governance practices at all times.

2. BOARD OF DIRECTORS

(A) COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors ("**Board**") of the Company have an optimum combination of Executive and Non-Executive Directors with one Woman Director and not less than fifty percent of the Board comprising of Non-Executive Directors. All Directors are individuals of integrity and possesses relevant expertise and experience. As on March 31, 2016, the Company's Board comprises of eight Directors. The composition of the Board and the category of Directors are as under:

Name of Director	Designation	Category
Shri Padam Chand Gupta	Chairman	Promoter & Non-Executive Director
Shri Balram Garg	Managing Director	Promoter & Executive Director
Shri Ramesh Kumar Sharma	Executive Director & Chief Operating Officer	Executive Director
Mrs. Kusum Jain	Director	Non-Executive Director
Dr. Manohar Lal Singla	Director	Independent Director
Shri Krishan Kumar Khurana	Director	Independent Director
Shri Miyar Ramanath Nayak	Director	Independent Director
Shri Suresh Kumar Jain	Director	Independent Director

The Promoter Directors Shri Padam Chand Gupta and Shri Balram Garg are brothers and Mrs. Kusum Jain, is their sister. Apart from them none of the Directors are related to each other.

(B) INDEPENDENT DIRECTORS

The Independent Directors of the Company fulfil the conditions of independence specified in the Companies Act, 2013 as well as the SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015. None of the Independent Directors serve as an Independent Director in more than the maximum permissible limit on number of directorships as an Independent Director and also not crossed the maximum tenure of Independent Director.

The Independent Directors are made aware of their roles, responsibilities and liabilities at the time of appointment through a formal letter of appointment, which stipulates the terms and conditions of their appointment. The Executive Director(s) / Senior Management Personnel regularly update the Independent Directors about the Company, its business model, operations and the industry etc. The details of familiarisation programmes imparted to the Independent Directors during financial year 2015-16 are placed on the Company's website and can be accessed through the link http://www.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/Familiarization-Programmes-during-F.Y.2015-16.pdf.

A meeting of the Independent Directors was held on May 14, 2015, without the attendance of Non-Independent Directors and members of the management, which was attended by all the three Independent Directors of the Company, as constituted at that time.

(C) PROVISIONS AS TO BOARD AND COMMITTEES

During the year five Board meetings were held on May 14, 2015; July 21, 2015; August 13, 2015; November 6, 2015 and January 23, 2016. The time gap between any two Board meetings does not exceed 120 days. The Directors are provided all the relevant information and details required for taking informed decisions at the Board meetings.

None of the Directors of the Company are Members of more than 10 committees or act as Chairman of more than 5 committees across all the companies in which they are Directors. The disclosures regarding Committee positions occupied by them have been made by all the Directors.

The details of attendance of Directors at the Board meetings held during the year, last Annual General Meeting ("**AGM**") of the Company held on September 19, 2015, along with the details of outside directorships, Memberships / Chairmanships of Audit Committee and the Stakeholders' Relationship Committee, in Indian public limited companies, as on March 31, 2016 are as under:

Name of Director	Number of Board meetings attended	Attendance at last AGM	Number of outside directorships*	Number of outside Committee Memberships / Chairmanships	
				Member	Chairman
Shri Padam Chand Gupta	5	Yes	3	Nil	Nil
Shri Balram Garg	5	Yes	3	Nil	Nil
Shri Ramesh Kumar Sharma	5	Yes	1	Nil	Nil
Mrs. Kusum Jain	3	No	Nil	Nil	Nil
Dr. Manohar Lal Singla	5	Yes	Nil	Nil	Nil
Shri Krishan Kumar Khurana	4	Yes	Nil	Nil	Nil
Shri MiyarRamanathNayak	4	Yes	1	Nil	Nil
Shri Suresh Kumar Jain	2	N.A.**	Nil	Nil	Nil

* For reckoning the limit of public limited companies, directorships of private companies that are subsidiary company of a public company are included but directorships in Section 8 Companies are excluded.

** Shri Suresh Kumar Jain was appointed as Director in the AGM of the Company held on September 19, 2015.

(D) NUMBER OF SHARES & CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS

The number of shares and convertible instruments held by the Directors, as on March 31, 2016, are as under:

Name	Number of Shares	Number of convertible instruments
Shri Padam Chand Gupta	5,03,71,800	Nil
Shri Balram Garg	6,69,51,050	Nil
Shri Ramesh Kumar Sharma*	3,000	Nil
Ms. Kusum Jain	Nil	Nil
Dr. Manohar Lal Singla	Nil	Nil
Shri Krishan Kumar Khurana	Nil	Nil
Shri Miyar Ramanath Nayak	Nil	Nil
Shri Suresh Kumar Jain	Nil	Nil

* 88,000 stock options were granted to Shri Ramesh Kumar Sharma on May 14, 2015, which are not vested in him up to March 31, 2016.

(E) REMUNERATION OF DIRECTORS

The Non-Executive and Independent Directors are paid sitting fee for attending each meeting of the Board and its Committees, as approved by the Board and within the limits prescribed under the Companies Act, 2013. They were paid sitting fee of Rs.10,000/- for attending each meeting of the Board and Rs.5,000/- for attending each meeting of Committees of the Board up to August 31, 2015 and thereafter Rs.40,000/- for attending each meeting of the Board and Rs.10,000/- for attending each meeting of Committees of the Board. The Company also pays / reimburses the out-of-pocket expenses incurred by them for attending the meetings.

The details of remuneration paid to the Directors for the financial year 2015-16 are as under:

(Rs. in lakhs)

Name	Sitting Fee	Salary	Bonus / Ex-gratia	Commission / Pension / Performance Linked Incentives	Total
Shri Padam Chand Gupta	2.55	Nil	Nil	Nil	2.55
Shri Balram Garg	Nil	600.00	Nil	Nil	600.00
Shri Ramesh Kumar Sharma	Nil	25.20	2.10	Nil	27.30
Mrs. Kusum Jain	0.90	Nil	Nil	Nil	0.90
Dr. Manohar Lal Singla	1.85	Nil	Nil	Nil	1.85
Shri Krishan Kumar Khurana	1.95	Nil	Nil	Nil	1.95
Shri Miyar Ramanath Nayak	1.30	Nil	Nil	Nil	1.30
Shri Suresh Kumar Jain	0.80	Nil	Nil	Nil	0.80

88,000 stock options were granted to Shri Ramesh Kumar Sharma on May 14, 2015 at an exercise price of Rs.10/- per option, which are not vested in him up to March 31, 2016. Vesting of the options shall take place over a period of four years with a minimum vesting period of one year from the Grant date. However, no stock options were granted to Non-Executive Directors during the year under review.

Except Shri Padam Chand Gupta, who in addition to Directors' remuneration has received Rs.32.13 lakhs towards rent and Rs.1611.90 lakhs towards dividend from the Company during the year under review, none of the Non-Executive Directors have any pecuniary relationship or transactions vis-a-vis the Company during the year under review.

The appointment of the Managing Director and Executive Director is governed by the resolutions passed by the Board and the Members of the Company, which cover the terms and conditions of their appointment, read with the service rules of the Company. Letters of appointment have been issued by the Company to the Independent Directors, incorporating their roles, duties and responsibilities etc., which have been accepted by them.

Services of the Managing Director and Executive Director may be terminated by either party, by giving the other party three months' notice or the Company paying three months' salary in lieu thereof. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Managing Director and Executive Director.

(F) CODE OF CONDUCT

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. All Directors and Senior Management Personnel of the Company affirmed compliance with this Code and a declaration to that effect of Shri Balram Garg, Managing Director, is attached to this report.

3. COMMITTEES OF THE BOARD

(I) AUDIT COMMITTEE

(A) COMPOSITION, MEETINGS AND ATTENDANCE

The Committee comprises of four Directors, out of which three are Independent Directors. All Members of the Committee are financially literate and having requisite accounting or related financial management expertise. Dr. Manohar Lal Singla, Chairman of the Committee is an Independent Director. He was present at the last Annual General Meeting of the Company held on September 19, 2015.

During the year four meetings were held on May 14, 2015; August 13, 2015; November 6, 2015 and January 23, 2016. The composition of the Committee and number of meetings attended by the Committee Members during the year are as under:

Name	Position	Category	Number of meetings held	Number of meetings attended
Dr. Manohar Lal Singla	Chairman	Independent Director	4	4
Shri Krishan Kumar Khurana	Member	Independent Director	4	4
Shri Miyar Ramanath Nayak	Member	Independent Director	4	4
Shri Balram Garg	Member	Executive Director	4	4

The Company Secretary acts as the Secretary to the Committee.

(B) TERMS OF REFERENCE

Powers of Audit Committee:

- 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.

Role of Audit Committee:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon 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 clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

b. Changes, if any, in accounting policies and practices and 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.

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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, 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;
- Discussion with internal auditors of 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;
- Discussion with 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;
- To look 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;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as the Board may decide from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

Review of information by Audit Committee:

- 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.

(II) NOMINATION AND REMUNERATION COMMITTEE

(A) COMPOSITION, MEETINGS AND ATTENDANCE

The Committee comprises of three Non-Executive Directors, out of which two are Independent Directors. Shri Krishan Kumar Khurana, Chairman of the Committee is an Independent Director. He was present at the last Annual General Meeting of the Company held on September 19, 2015.

During the year three meetings were held on May 14, 2015; August 13, 2015 and November 6, 2015. The composition of the Committee and number of meetings attended by the Committee Members during the year are as under:

Name	Position	Category	Number of meetings held	Number of meetings attended
Shri Krishan Kumar Khurana	Chairman	Independent Director	3	3
Dr. Manohar Lal Singla	Member	Independent Director	3	3
Shri Padam Chand Gupta	Member	Non-Executive Director	3	3

(B) TERMS OF REFERENCE

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of directors and the Board;
- Devising a policy on Board diversity;
- Considering and recommending grant of employees stock option, if any, and administration and superintendence of the same; and
- Carrying out any other function as the Board may decide from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

(C) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The process of performance evaluation is based on evaluation forms, which include a rating mechanism. The criteria for performance evaluation of Independent Directors amongst others includes their attendance and contribution at meetings, devotion of time and effort to understand the Company, its business, their duties and responsibilities, impact and influence on Board / Committees and adherence to the Code of Conduct etc.

(III) STAKEHOLDERS RELATIONSHIP COMMITTEE

(A) COMPOSITION, MEETINGS AND ATTENDANCE

The Committee comprises of three Directors, out of which one is Independent Director. Shri Padam Chand Gupta, Chairman of the Committee is a Non-Executive Director. He was present at the last Annual General Meeting of the Company held on September 19, 2015.

During the year four meetings were held on May 14, 2015; August 13, 2015; November 6, 2015 and January 23, 2016. The composition of the Committee and number of meetings attended by the Committee Members during the year are as under:

Name	Position	Category	Number of meetings held	Number of meetings attended
Shri Padam Chand Gupta	Chairman	Non-Executive Director	4	4
Shri Balram Garg	Member	Executive Director	4	4
Shri Krishan Kumar Khurana	Member	Independent Director	4	4

(B) TERMS OF REFERENCE

The terms of reference of the Committee inter-alia includes considering and resolving the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend etc.

(C) COMPLIANCE OFFICER

Shri Vijay Panwar, Company Secretary of the Company is the Compliance Officer.

(D) DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS RECEIVED AND RESOLVED

Complaints pending as on April 1, 2015	Received during the year 2015-16	Resolved during the year 2015-16	Complaints pending as on March 31, 2016
Nil	78	78	Nil

The Company has designated an e-mail Id viz. investors@pcjeweller.com for redressal of shareholder'/ investors' complaints / grievances.

(IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(A) COMPOSITION, MEETINGS & ATTENDANCE

The Committee comprises of three Directors, out of which two are Independent Directors. Dr. Manohar Lal Singla, Chairman of the Committee is an Independent Director.

During the year two meetings were held on May 14, 2015 and January 23, 2016. The composition of the Committee and number of meetings attended by the Committee Members during the year are as under:

Name	Position	Category	Number of meetings held	Number of meetings attended
Dr. Manohar Lal Singla	Chairman	Independent Director	2	2
Shri Krishan Kumar Khurana	Member	Independent Director	2	2
Shri Ramesh Kumar Sharma	Member	Executive Director	2	2

(B) TERMS OF REFERENCE

The terms of reference of the Committee inter-alia includes to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013, to recommend the amount of expenditure to be incurred on CSR activities and to monitor the implementation of the projects, programs and activities undertaken by the Company thereunder from time to time etc.

(V) MANAGEMENT & FINANCE COMMITTEE

(A) COMPOSITION, MEETINGS & ATTENDANCE

The Committee comprises of three Directors, out of which one is Non-Executive Director and two are Executive Directors. Shri Padam Chand Gupta, Chairman of the Committee is a Non-Executive Director.

During the year eleven meetings were held on April 8, 2015; June 11, 2015; July 7, 2015; August 7, 2015; August 28, 2015; October 20, 2015; November 13, 2015; December 11, 2015; December 22, 2015; January 27, 2016 and March 1, 2016. The composition of the Committee and number of meetings attended by the Committee Members during the year are as under:

Name	Position	Category	Number of meetings held	Number of meetings attended
Shri Padam Chand Gupta	Chairman	Non-Executive Director	11	11
Shri Balram Garg	Member	Executive Director	11	10
Shri Ramesh Kumar Sharma	Member	Executive Director	11	11

(B) TERMS OF REFERENCE

The terms of reference of the Committee inter-alia includes availing financial / banking facilities, opening new showrooms, taking on lease, hire or purchase any movable or immovable property, obtaining registrations / licenses, signing and execution of contracts, agreements etc., opening, closing and deciding mode of operation for bank accounts etc., and carrying out any other function as the Board may decide from time to time.

(VI) SHARE TRANSFER COMMITTEE

(A) COMPOSITION, MEETINGS & ATTENDANCE

The Committee comprises of two Executive Directors. Shri Balram Garg is the Chairman of the Committee.

During the year twenty five Committee meetings were held on April 8, 2015; April 23, 2015; May 6, 2015; May 15, 2015; May 29, 2015; June 8, 2015; June 27, 2015; July 13, 2015; August 1, 2015; August 13, 2015; August 31, 2015; September 16, 2015; October 1, 2015; October 16, 2015; October 30, 2015; November 13, 2015; November 28, 2015; December 15, 2015; December 28, 2015; January 14, 2016; January 27, 2016; February 10, 2016; February 27, 2016; March 14, 2016 and March 29, 2016. The composition of the Committee and number of meetings attended by the Committee Members during the year are as under:

Name	Position	Category	Number of meetings held	Number of meetings attended
Shri Balram Garg	Chairman	Executive Director	25	25
Shri Ramesh Kumar Sharma	Member	Executive Director	25	25

(B) TERMS OF REFERENCE

The terms of reference of the Committee inter-alia includes approval of transfer or transmission of equity shares or any other securities and approval of requests for remat / split / consolidation etc.

(VII) SECURITIES COMMITTEE

(A) COMPOSITION, MEETINGS & ATTENDANCE

The Company in its Board meeting held on August 13, 2015, constituted the Securities Committee. The Committee comprises of three Directors, out of which two are Non-Executive Directors and one is Executive Director. Shri Padam Chand Gupta, Chairman of the Committee is a Non-Executive Director.

During the year one Committee meeting was held on November 6, 2015. The composition of the Committee and number of meetings attended by the Members during the year are as under:

Name	Position	Category	Number of meetings held	Number of meetings attended
Shri Padam Chand Gupta	Chairman	Non-Executive Director	1	1
Shri Balram Garg	Member	Executive Director	1	1
Dr. Manohar Lal Singla	Member	Independent Director	1	1

(B) TERMS OF REFERENCE

The terms of reference of the Committee inter-alia includes to do all such acts, deeds, matter and things, as it may, in its absolute discretion deem necessary or expedient in connection with the creation, offer, issue, allotment or listing etc. of the Equity Shares.

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
2014-15	September 19, 2015 3:30 P.M	Air Force Auditorium, Subroto Park, New Delhi-110 010	1. Further issue of securities. 2. Raising limit of investment by FIIs/FPIs in the Company.
2013-14	September 13, 2014 3:30 P.M.	Air Force Auditorium, Subroto Park, New Delhi-110 010	None
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.

II) POSTAL BALLOT

During the year under review no resolution was passed through Postal Ballot. However, after the closure of year one special and one ordinary resolution was passed through Postal Ballot Notice dated May 30, 2016. Shri Randhir Singh Sharma, Practicing Company Secretary (C.P.No. 3872) was appointed as Scrutinizer for conducting the entire Postal Ballot process in a fair and transparent manner. No special resolution is proposed to be conducted through Postal Ballot on or before the forthcoming Annual General Meeting of the Company.

5. SUBSIDIARY COMPANIES

As on March 31, 2016, the Company has three wholly owned non-listed Indian subsidiary companies, namely PC Universal Private Limited, Transforming Retail Private Limited and Luxury Products Trendsetter Private Limited. None of them is a material subsidiary, as defined under the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. However, the Board has formulated a Policy on Material Subsidiaries, which is posted on the Company's website and can be accessed through the link http://www.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/Policy-on-Material-Subsidiary.pdf. The requirements of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 with regard to subsidiary companies have been complied with, to the extent applicable.

6. CEO / CFO CERTIFICATION

Shri Balram Garg, Managing Director and Shri Sanjeev Bhatia, Chief Financial Officer of the Company have certified to the Board in accordance with Regulation 17(8) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2016 and the certificate is annexed hereto.

7. DISCLOSURES

(I) MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no materially significant related party transactions during the year, which may have a potential conflict with the interest of the Company at large. Details of related parties and transactions with them, in accordance with the Accounting Standards (AS-18) have been disclosed in the Notes forming part of the financial statements. The Board has formulated a Policy on Materiality of Related Party Transactions & Dealing with Related Party Transactions, which is posted on the Company's website and can be accessed through the link http://www.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/PCJ_Policy%20on%20Materiality%20of%20Related%20Party%20Transactions%20&%20Dealing%20with%20Related%20Party%20Transactions.pdf.

(II) ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis and the accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(III) PROCEEDS FROM PUBLIC ISSUES

The Company disclosed to the Audit Committee, the uses / applications of proceeds / funds raised from its Initial Public Offer (IPO), on quarterly basis, during the year. The half yearly reports of IDBI Bank Limited, the Monitoring Agency, monitoring the utilization of IPO proceeds were also placed before the Committee. The Company has fully utilized the IPO proceeds during the year.

(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) WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy / Vigil Mechanism, which provides a formal mechanism for all employees and Directors of the Company to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or an event they become aware of that could have a detrimental effect on the business or reputation of the Company and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. The Policy is posted on the Company's website and can be accessed through the link http://www.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/PCJ_Whistle%20Blower%20Policy.pdf. No personnel were denied access to the Chairman of the Audit Committee of the Company.

(VI) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

The Company has complied with the all the mandatory requirements of Corporate Governance stipulated in Clause 49 of the Listing Agreement for the period from April 1, 2015 to November 30, 2015 except compliance of proviso to Clause 49(II)(A)(2) for the period from April 1, 2015 to September 18, 2015. Further, the Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the period from December 1, 2015 to March 31, 2016. A certificate from the Practicing Company Secretary regarding compliance with the requirements of Corporate Governance is annexed with the Directors' Report.

The Company has also adopted the following non-mandatory requirements:

a) The Non – Executive Chairman of the Company has been provided a Chairman's Office.

b) The Company has separate persons for the post of Chairman and Managing Director.

c) The statutory financial statements of the Company are with unmodified audit opinion.

(VII) PROHIBITION OF INSIDER TRADING

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, w.e.f. May 15, 2015, the Company has adopted 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct to Regulate, Monitor and Report Trading by the Insiders', with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code

prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

(VIII) COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company uses derivative financial instruments to manage risk associated with gold price fluctuations. The hedging transaction is mainly done against price risk on exposure of gold.

8. MEANS OF COMMUNICATION

The quarterly and annual financial results are communicated by filing with BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), placing on the Company's website www.pcjeweller.com and also publishing in newspapers normally Mint (English) and Hindustan (Hindi).

Important shareholders' information such as shareholding pattern, annual report, presentations and transcripts of conference calls etc. are also displayed on the Company's website. Important press releases and other information filed by the Company from time to time with BSE and NSE are also available on their websites.

9. GENERAL SHAREHOLDER INFORMATION

(I) ANNUAL GENERAL MEETING

Day & date : Monday, September 19, 2016
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.

(III) DATE OF BOOK CLOSURE

Tuesday, September 13, 2016 to Monday, September 19, 2016 (both days inclusive).

(IV) DIVIDEND PAYMENT DATE

The Board of the Company has recommended a dividend of Rs.3.35/- per equity share (i.e.@33.50% of face value of Rs.10/- each), on the paid up equity share capital of the Company for the financial year ended March 31, 2016. If approved by the Members at the forthcoming Annual General Meeting, it will be paid within 30 days from September 19, 2016.

(V) LISTING ON STOCK EXCHANGES

The equity shares of the Company continued to be listed on both BSE and NSE. The Company has already paid the listing fee for the financial year 2016-17 to both the exchanges.

(VI) STOCK CODES

BSE (Scrip Code) : 534809
NSE (Symbol) : PCJEWELLER
ISIN of the equity shares : INE785M01013

(VII) MARKET PRICE DATA

Monthly high & low prices of the equity shares of the Company at BSE and NSE during financial year 2015-16, are as under:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2015	369.60	307.60	368.80	305.65
May, 2015	380.00	318.00	379.90	317.00
June, 2015	407.95	320.00	408.00	318.10
July, 2015	465.70	381.10	466.95	380.25
August, 2015	493.95	303.05	493.40	303.00
September, 2015	414.00	322.75	414.00	321.10
October, 2015	447.00	350.00	449.80	350.65
November, 2015	478.70	358.20	470.45	359.00
December, 2015	420.00	361.00	430.00	361.00
January, 2016	433.40	347.55	433.90	341.50
February, 2016	449.00	296.10	429.40	295.80
March, 2016	396.70	303.20	395.95	301.00

(Source: BSE & NSE websites)

(VIII) PERFORMANCE IN COMPARISON TO BROAD – BASED INDICES – BSE SENSEX AND NSE NIFTY

The performance of the Company's shares on BSE and NSE, as compared to Sensex and Nifty is as under:

Particulars	April 1, 2015 (Opening)	March 31, 2016 (Closing)	Change (%)
Share Price at BSE (Rs.)	316.40	364.95	15.34
Sensex	27954.86	25341.86	-9.35
Share Price at NSE (Rs.)	317.00	363.55	14.68
Nifty	8483.70	7738.40	-8.79

(Source: BSE & NSE websites)

(IX) REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No.31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500 032 (Telangana)
Tel: 040-67161500, Fax: 040-23420814
E-mail: einward.ris@karvy.com

(X) SHARE TRANSFER SYSTEM

The shares lodged for transfer in physical mode are processed by the Company's Registrar and Transfer Agent, Karvy Computershare Private Limited and subject to documents being valid and complete in all respects, it submits Memorandum of Share Transfer to the Company for approval. The Board has delegated the authority for approving transfer, transmission, etc. of the shares to the Share Transfer Committee. After approval of transfer, Karvy Computershare Private Limited returns the duly endorsed share certificates. Transfer of shares in dematerialized mode is done through the depositories without any involvement of the Company.

(XI) DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding of the Company as on March 31, 2016, is as under:

Number of Shares	Shareholders		Shares	
	Number	As a % of total	Number	As a % of total
Up to 500	17672	95.57	1246276	0.70
501- 1,000	305	1.65	229987	0.13
1,001- 2,000	166	0.90	241538	0.13
2,001- 3,000	69	0.37	172109	0.10
3,001- 4,000	43	0.23	148507	0.08
4,001- 5,000	23	0.12	104936	0.06
5,001- 10,000	59	0.32	422067	0.24
10,001 & above	155	0.84	176534580	98.57
Total	**18492**	**100.00**	**179100000**	**100.00**
Physical Mode	499	2.70	844	0.00
Electronic Mode	17993	97.30	179099156	100.00

(XII) SHAREHOLDING PATTERN

The shareholding pattern of the Company as on March 31, 2016, is as under:

Category of Shareholders		Number of Shareholders	Number of Shares	% of Shares
A	**Promoter & Promoter Group**			
	Individuals / HUF (Indian)	8	126352850	70.55
	Total Promoter & Promoter Group Shareholding (A)	**8**	**126352850**	**70.55**
B	**Public Shareholding**			
1	**Institutions**			
a	Financial Institutions/Banks	2	4838	0.00
b	Foreign Portfolio Investors	110	36381266	20.31
	Sub-Total B(1)	**112**	**36386104**	**20.32**
2	**Non-Institutions**			
a	Bodies Corporate	336	6262518	3.50
b	Individuals			
	(i) Individuals holding nominal share capital upto Rs.2 lakh	17620	2076152	1.16
	(ii) Individuals holding nominal share capital in excess of Rs.2 lakh	32	7530151	4.20
c	Non Resident Indians	221	257623	0.14
d	Clearing Members	160	233108	0.13
e	NBFC	3	1494	0.00
	Sub-Total B(2)	**18372**	**16361046**	**9.13**
	Total Public Shareholding B=B(1)+B(2)	**18484**	**52747150**	**29.45**
	GRAND TOTAL (A+B)	**18492**	**179100000**	**100.00**

(XIII) 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 ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"). A total number of 17,90,99,156 equity shares constituting almost 100% of the issued, subscribed and paid-up share capital of the Company were held in dematerialized form as on March 31, 2016. The status of shares in demat mode is as under:

Particulars	Number of Shareholders	No. Shares	(%)
NSDL	12,141	17,73,60,886	99.03
CDSL	5,852	17,38,270	0.97

(XIV) 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, 2016, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

(XV) PLANT LOCATIONS

As on March 31, 2016, the 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)

(XVI) ADDRESS & CONTACT DETAILS FOR CORRESPONDENCE

PC Jeweller Limited
C-54, Preet Vihar, Vikas Marg, Delhi – 110 092
Tel: 011-49714971, Fax: 011-49714972
Website: www.pcjeweller.com

DECLARATION BY THE MANAGING DIRECTOR

To,
The Board of Directors,
PC Jeweller Limited
C – 54, Preet Vihar,
Vikas Marg,
Delhi - 110092

Sub.: Declaration by the Managing Director under para D of Schedule V of SEBI (LODR) Regulations, 2015

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, 2016.

For **PC Jeweller Limited**
Sd/-
(**BALRAM GARG**)
Managing Director
DIN: 00032083

Date: May 24, 2016
Place: Delhi

MD/CFO CERTIFICATE

To,
The Board of Directors,
PC Jeweller Limited
C – 54, Preet Vihar,
Vikas Marg,
Delhi - 110092

Sub. : Certificate to the Board pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015

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 March 31, 2016:

(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 that there are no deficiencies in the design or operation of such internal controls.

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

(i) there have been no significant changes in internal control over financial reporting during the year;
(ii) there have been no significant changes in accounting policies during the year; and
(iii) there have been no instances of significant 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 30, 2016
Place: Delhi

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7% of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive. Indian gold jewellery industry is among the largest globally, valued at Rs.2.20 trillion (FY2015), driven by a gamut of cultural, social and demographic factors. India and China are the two largest consumers of gold globally, with jewellery constituting bulk of the yellow metal consumption.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. It is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry processing 65% of the world's diamonds by value, 85% by cartage and 92% by number of pieces. India also exports 95% of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council. The industry has generated US$ 38.60 billion of revenue from exports in 2015-16, making it the second largest exporter after petrochemicals.

India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100% Foreign Direct Investment (FDI) in the sector through the automatic route.

Jewellery consumption in India, over the past decade, has recorded a strong growth upwards of 15% (barring the last few years) driven increasingly by organized retail. Rising quality awareness of customers has also provided a fillip to the organized retail segment, which is banking on its 'reliability' and 'quality' to compete against the highly fragmented unorganized jewellers. Organized players (~25% market share) have steadily chipped away market share from smaller/ unorganized retailers by addressing the need for enhanced experience of a demanding customer base, which is marked by shifting demographic and socio-economic profiles.

Jewellery consumption in India has been traditionally driven by the strong cultural affinity for gold, with it being the preferred form of jewellery worn. Gold jewellery is an integral part of weddings in India, and is considered as a necessity, with wedding related demand accounting for substantial portion of overall jewellery demand, especially in the South. Jewellery demand has also been supported by the increasing appetite for gold jewellery from rural and non-urban markets which constitute a major chunk of the total consumption. Gold has also served as a means of savings especially for the rural sector, owing to the lack of any major alternative investment options supported by its anti-inflationary characteristics. However, in the past few years the demand for diamond jewellery has also been showing an increasing trend, especially in the Metros and Tier I cities.

PRODUCT-WISE PERFORMANCE

The Company is a single product entity, viz jewellery and its operations include manufacture, retail and export of jewellery. The jewellery has three subsets consisting of gold, diamonds and others. Gold jewellery continues to be the dominant component of the total product sales with a share of 79.67%. The Company does not export diamond jewellery and its exports consist of plain gold jewellery only. However, in the domestic segment the Company is taking proactive steps to improve the share of diamond jewellery in the sales mix as it is a higher margin item. Diamond jewellery contribution to domestic sales during the year under review was 28.19%.

The Company continues to focus on diamond jewellery by bringing out new varieties to suit a larger cache of customers at regular intervals and has also added an e-commerce vertical (www.wearyourshine.com) with a strong emphasis on diamond jewellery with competitive pricing to attract younger consumers and engage with them on a platform that they are most comfortable with.

The Company operates in two different geographical areas i.e. domestic sales and export sales. As on March 31, 2016, the share of revenues from domestic and export sales is 71.17% and 28.83% respectively.

OPPORTUNITIES AND THREATS

The industry can take advantages of the following opportunities:

(a) Limited penetration of organized jewellery in the country. As per some estimates the organized segment still consists of only 25% of the total jewellery in the country.

(b) Increasing purchasing power in the Tier I & II locations as well as growing consciousness of branded jewellery in these locations which is shifting demand towards organized players.

(c) Increasing demand for diamond jewellery, which is a high margin product as compared to the gold jewellery.

(d) Favourable demographics leading to increasing demand for jewellery in the country.Twenty six million youth enter the consuming class every year. This the first post-liberalisation and digital generation, raised to think about consumption rather than frugality. India has a median age of 27 years. As internet penetration grows steadily, this demographic is likely to change consumption habits. It is estimated that 150-200 million consumers will be digitally active over the next few years.

PC Jeweller is actively exploiting the various tools of social media like Facebook, Twitter, Instagram etc. to reach out and build up a rapport with its target customers. Its wholly owned subsidiary Transforming Retail Private Limited, which is its online jewellery sale portal, is also targeting younger generation for its products and is very active on the social media.

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

(a) Volatility in the market prices of gold and diamonds.

(b) Adapting to fast changing consumer preferences and buying patterns.

(c) Limited availability of high end retail space.

OUTLOOK

The gems and jewellery market in India is home to more than 5,00,000 players, with the majority being small players. It is also estimated that this sector provides employment to almost ten million workers, both at the manufacturing and the retail levels.

This industry started coming in its own after the liberalization of 1991 and is today fast moving towards an organized structure with branded players expanding their reach beyond the main cities. The government is also taking proactive steps to ensure that this sector becomes more regulated and conforms to corporate governance as well as product quality norms. The recent steps taken by the Government like compulsory hallmarking, presenting pan cards above a certain level of purchases, bringing it under the excise rules will go a long way to ensure that this sector also moves forward with the changing times and abandons its old practices.

Indian jewellery industry is standing at the cusp of momentous changes. At the one end as the Indian economy grows at approximately 7% p.a., the Indians are spending more on consumables and jewellery remains their first love. However, at the same time consumer tastes, their buying patterns are also changing very fast. Now the purchasing decisions are being taken by youngsters. It is very necessary that the jewellery industry also gears itself and adapts to the meet and fulfil the consumers aspirations and buying needs, otherwise, it will not be able to encash on this growing opportunity.

RISKS AND CONCERNS

Like any other business, the gems and jewellery business also has its own set of challenges and risks, emanating from internal and external sources. The Company has in place a comprehensive risk management framework that helps anticipate, identify and evaluate business risks and challenges across the Company and finding ways to mitigate the same. The Company is also exposed to price risk movements both in gold as well as its forex exposure. However, it has put rigorous systems & procedures in place to take care of these concerns.

Since the Company is dealing in very high value goods/items, it is always exposed to operational risks. It is therefore always very alert in this sector and ensures that its entire inventory, from raw material to finished goods is insured at all times, whether under transit, at showrooms or at the production facilities. It has cash pick up arrangements with leading banks with transit insurance. All of its showrooms have strong rooms for overnight safe custody of the inventory. In addition all the stores have CCTV vigilance and armed guards. Entire inventory is computerized and each item is tagged for immediate tracking.

The Company has also put in place a strong team to take care of all of the required compliances and hence mitigate any Compliance Risk.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate system of internal controls relating to the purchase of raw materials as well as other goods. The Company during the year has reviewed its Internal Financial Control systems and has led to establishment of more robust and effective IFC framework, prescribed under the ambit of Section 134(5) of the Companies Act, 2013.

The Board of Directors is responsible for establishing and maintaining internal financial controls over financial reporting criteria established on the basis of criteria stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of sufficient internal financial controls required for efficient conduct of the Company's business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records etc.

Based on the assessment carried out by the management and the evaluation of the results of the assessment, the Board of Directors are of the opinion that the Company has adequate Internal Financial Controls systems that are operating effectively as of March 31, 2016.

There were no instances of fraud which necessitates reporting in the financial statements.There has been no communication from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

FINANCIAL PERFORMANCE

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis and the accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The highlights of the financial performance of the Company during the year are as under:

(**Rs. in crores**)

Particulars	2015-16	2014-15
Revenue from operations	7259.07	6348.52
Total revenue	7308.63	6407.71
Total expenses	6769.96	5868.39
Profit before tax	538.67	539.32
Tax expense	137.79	161.09
Net profit after tax	400.88	378.23

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 its principal 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 the involvement and development of employees as well as installing effective systems for improving their productivity and accountability at functional levels.

Ongoing in-house and external training is provided to employees at all levels to update their knowledge and upgrade their skills and abilities. The effort to rationalize and streamline the workforce is a continuous process. As on March 31, 2016, the Company had 2516 full-time employees. The industrial relations scenario has remained harmonious throughout the year.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of PC Jeweller Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of PC Jeweller Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, its profit and its cash flows for the year ended on that date.

Independent Auditors' Report to the member of PC Jeweller Limited on the Standalone Financial Statements for the year ended 31 March, 2016 (contd.)

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditors' Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. Further to our comments in Annexure I, as required by Section143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;

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

    d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section164(2) of the Act;

    f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 30 May 2016 as per Annexure II expressed unmodified opinion; and

    g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. as detailed in Note 18 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
F. R. No.001076N/N500013

Sd/-
per **Anupam Kumar**
Partner
Membership No. 501531

Address: L 41, Connaught Circus
New Delhi - 110001

For **Sharad Jain Associates**
Chartered Accountants
F. R. No. 015201N

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

Address: 213, Hans Bhawan,
1, Bahadur shah Zafar Marg
Delhi – 110 002

Place: New Delhi
Date: 30 May 2016

Annexure I to the Independent Auditors' Report of even date to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2016

Annexure I

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) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.

(ii) In our opinion, 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. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has granted unsecured loan to one company covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, *prima facie,* prejudicial to the Company's interest;

(b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular; and

(c) there is no overdue amount in respect of loan granted to such company.

(iv) In our opinion, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases except for significant delay in payment of advance tax under the Income-tax Act, 1961. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (excluding interest) (Rs. in crores)	Period to which the amount relates	Due date	Date of payment
Income-tax Act, 1961	Advance tax	26.93	Financial Year 2015-16	15 September 2015	Not yet paid

Annexure I to the Independent Auditors' Report of even date to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2016 (contd.)

(b) The dues outstanding in respect of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (Rs. in crores)	Amount paid under Protest (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	0.16	Nil	Assessment Year 2008-09	Commissioner of Income-tax (Appeals)
Income-tax Act, 1961	Income-tax	0.85	Nil	Assessment Year 2013-14	Commissioner of Income-tax (Appeals)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any loans or borrowings payable to the Government. Further, the Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No significant fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
F. R. No.001076N/N500013

Sd/-
per **Anupam Kumar**
Partner
Membership No. 501531

Address: L 41, Connaught Circus
New Delhi - 110001

For **Sharad Jain Associates**
Chartered Accountants
F. R. No. 015201N

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

Address: 213, Hans Bhawan,
1, Bahadur shah Zafar Marg
Delhi – 110 002

Place: New Delhi
Date: 30 May 2016

Annexure II to the Independent Auditors' Report of even date to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2016

Annexure II

Independent Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the standalone financial statements of PC Jeweller Limited (the 'Company') as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing (the 'Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
F. R. No. 001076N/N500013

Sd/-
per **Anupam Kumar**
Partner
Membership No. 501531

Address: L 41, Connaught Circus
New Delhi - 110001

For **Sharad Jain Associates**
Chartered Accountants
F. R. No. 015201N

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

Address: 213, Hans Bhawan,
1, Bahadur shah Zafar Marg
Delhi – 110 002

Place: New Delhi
Date: 30 May 2016

BALANCE SHEET

as at 31 March 2016

	Notes	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Equity and liabilities			
Shareholders' funds			
Share capital	3	179.10	179.10
Reserves and surplus	4	2,148.30	1,811.28
		2,327.40	**1,990.38**
Non current liabilities			
Long term borrowings	5	58.23	0.41
Long term provisions	6	4.31	2.87
		62.54	**3.28**
Current liabilities			
Short term borrowings	5	881.90	680.97
Trade payables			
Total outstanding dues of micro, small and medium enterprises		-	-
Total outstanding dues of creditors other than micro, small and medium enterprises		2,170.57	1,809.37
Other current liabilities	7	111.19	49.62
Short term provisions	6	194.63	177.89
		3,358.29	**2,717.85**
		5,748.23	**4,711.51**
Assets			
Non current assets			
Fixed assets			
Tangible assets	8	89.88	89.58
Non current investments	9	0.07	0.06
Deferred tax assets	10	16.39	12.52
Long term loans and advances	11	170.53	84.03
Other non current assets	12	5.07	3.28
		281.94	**189.47**
Current assets			
Current investments	13	7.38	13.12
Inventories	14	3,871.08	3,229.85
Trade receivables	15	908.22	767.53
Cash and bank balances	16	286.43	274.11
Short term loans and advances	11	368.24	228.76
Other current assets	17	24.94	8.67
		5,466.29	**4,522.04**
		5,748.23	**4,711.51**
Notes 1 to 44 form an integral part of these financial statements.			

For and on behalf of the Board of Directors

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Sd/-
Padam Chand Gupta
Chairman
DIN-00032794

Sd/-
Balram Garg
Managing Director
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 **Anupam Kumar**
Partner

Place : New Delhi
Date : 30 May 2016

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2016

	Notes	Year ended 31 March 2016 Rs. in crores	Year ended 31 March 2015 Rs. in crores
Revenue			
Revenue from operations	19	7,259.07	6,348.52
Other income	20	49.56	59.19
Total revenue		**7,308.63**	**6,407.71**
Expenses			
Cost of materials consumed	21	6,646.16	6,405.38
Changes in inventories of finished goods and work-in-progress	22	(405.44)	(1,026.01)
Purchases of traded goods	23	4.04	2.96
Employee benefits expense	24	70.17	55.55
Finance costs	25	214.65	220.87
Depreciation and amortisation expense	8	22.61	23.02
Other expenses	26	217.77	186.62
Total expenses		**6,769.96**	**5,868.39**
Profit before tax		538.67	539.32
Tax expense:			
Current tax			
- current year		160.68	162.47
- earlier years		(19.02)	-
Deferred tax benefit		(3.87)	(1.38)
Total - tax expense		**137.79**	**161.09**
Profit for the year		**400.88**	**378.23**
Earnings per equity share of Rs. 10 each (Rs.)	27		
- Basic		22.38	21.12
- Diluted		22.34	21.12
Notes 1 to 44 form an integral part of these financial statements.			

For and on behalf of the Board of Directors

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Sd/-
Padam Chand Gupta
Chairman
DIN-00032794

Sd/-
Balram Garg
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 **Anupam Kumar**
Partner

Place : New Delhi
Date : 30 May 2016

CASH FLOW STATEMENT

for the year ended 31 March 2016

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	538.67	539.32
Depreciation and amortisation expense	22.61	23.02
Unrealised foreign exchange (gain)	(20.23)	5.97
Net loss/(profit) on disposal of fixed assets	0.03	(0.01)
Intangible assets under development written off	-	1.10
Profit on sale of investment	(1.31)	(13.46)
Interest income on fixed deposit	(16.86)	(20.40)
Interest income on loan given	(2.55)	(0.97)
Bad debts written off	-	0.12
Interest expense	214.65	220.87
Expense on employee stock option scheme	8.02	-
Operating profit before working capital changes	**743.03**	**755.56**
Adjustments for:		
(Increase) in inventories	(641.23)	(852.72)
(Increase) in trade receivables	(135.78)	(138.56)
(Increase)/decrease in loans and advances	(149.94)	228.01
Decrease in other current assets	5.14	72.84
Increase in current liabilities and provisions	388.60	397.91
Cash generated from operating activities	**209.82**	**463.04**
Direct taxes paid	139.42	128.89
Net cash (used in)/generated from operating activities	**70.40**	**334.15**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets including capital advances	(2.40)	(28.86)
Proceeds from disposal of fixed assets	0.29	0.03
Investment in shares of subsidiary	(0.01)	(0.01)
Proceeds from redemption of current investments, net	7.07	185.27
Loans given to body corporates including subsidiary companies	(96.88)	(10.33)
Interest received	19.02	23.47
(Purchase)/sale of fixed deposits, net	(13.45)	43.01
Net cash generated from investing activities	**(86.36)**	**212.58**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term loans	97.53	0.65
Repayment of long term loans	(9.93)	(0.98)
Proceeds/(repayment) of short term borrowings, net	200.88	(322.49)
Dividends paid including corporate dividend tax	(68.97)	(31.43)
Interest paid	(202.99)	(211.48)
Net cash generated from/(used in) financing activities	**16.52**	**(565.73)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**0.56**	**(19.00)**
Opening cash and cash equivalents	92.11	111.11
Closing cash and cash equivalents (refer note 16)	92.67	92.11
	0.56	(19.00)
Notes 1 to 44 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
Membership No. A19063		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 **Anupam Kumar**
Partner

Place : New Delhi
Date : 30 May 2016

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

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.

2. BASIS OF ACCOUNTING

The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India ('ICAI') in respect of certain derivative instruments. These financial statements have been prepared on a going concern basis and 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. The Company's significant estimates pertains to useful life of fixed assets, provision for employee benefits, income-taxes and provision for doubtful assets.

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 as per the guidance set out in the Schedule II to the Act. Depreciation is charged on written down value based on estimated useful life of the asset after considering a residual value as set out in the aforementioned Schedule II to the Act referred above. The useful life of the assets are:

Asset description	Useful life
Building	30 years
Plant and machinery	15 years
Office equipments	5 years
Computers	3 years for data processing equipments and 6 years for servers
Furniture and fixtures	10 years
Vehicles	8 years for motor cars and 10 years for scooters

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

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 net of discounts and sales tax.

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.

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) INVENTORIES

Inventories are valued as follows:

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

Net realisable 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 at the time of purchase.

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 therefrom 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 recognised as an income or expense for the year.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

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 recognises the unrealised gains and losses per the available guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the ICAI.

i) EMPLOYEE BENEFITS

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 the Employees' Provident Funds 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.

Provision for compensated absences when determined to be a long term benefit is made on the basis of actuarial valuation as at the end of the year. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement profit and loss in the year in which such gains or losses arise. The compensated absences liability is determined in accordance with the rules of the Company and is based on actuarial valuations made on the projected unit credit method at the balance sheet date. Gain and losses on curtailment or settlement are recognised when the curtailment or settlement occurs.

j) EMPLOYEES STOCK COMPENSATION COST

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

k) TAXATION

Tax expense comprises current tax and deferred tax.

Current tax is determined as higher of the amount of tax payable calculated at the tax rates applicable to the relevant assessment year on the assessable income of the respective year or tax payable on book profit computed in accordance with the provisions of section 115 JB of the Income-tax Act, 1961.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

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 recognised 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 realised. Deferred tax asset to the extent it pertains to unabsorbed business loss/ depreciation is recognised only to the extent that there is virtual certainty of realisation based on convincing evidence, as evaluated on a case to case basis. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period.

The Company has two factory units which are located in Special Economic Zone, namely, Unit I and Unit II. Unit II is fully 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.

The Company's manufacturing unit located in Dehradun 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 under Section 80 IC of the Income - tax Act, 1961 till 31 March 2019.

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. Lease payments under an operating lease are recognised as an expense in the Statement of Profit and Loss on straight line method over the lease term.

m) 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 the 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 the 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 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:

(i) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

(ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(iii) present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is 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.

3. Share capital

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Rs. in crores	Number of shares	Rs. in crores
Authorised share capital				
Equity shares of Rs. 10 each	225,000,000	225.00	200,000,000	200.00
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	179,100,000	179.10	179,100,000	179.10

a) There is no change in issued, subscribed and fully paid up equity share capital during the current and previous year.

b) Details of shareholders holding more than 5% of the shares of the Company*

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of Rs. 10 each				
Mr. Balram Garg	66,951,050	37.38%	66,951,050	37.38%
Mr. Padam Chand Gupta	50,371,800	28.12%	50,371,800	28.12%
Idria Limited	9,075,718	5.07%	-	-
	126,398,568	70.57%	117,322,850	65.50%

** 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, 8,93,11,000 bonus shares of Rs. 10 each had been issued by utilising the securities premium balance and accumulated profits. Other than the aforementioned bonus issue, the Company has not issued any other shares pursuant to a contract without payment being received in cash nor has there been any buy-back of shares in the current year and preceding five years.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

d) Terms and rights attached to equity shares

1) The Company has only one class of equity shares having a par value of Rs. 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 2016, the amount of proposed final dividend recognised as distribution to equity shareholders is Rs. 3.35 per share (31 March 2015 Rs. 3.20 per share).

e) Shares reserved for issue under stock option

26,79,330 equity shares are reserved for the issue under the Employees' Stock Option Plan of the Company out of which 726,300 equity shares have been granted by the Company during the year. For further details, please refer note 29.

4. Reserves and surplus

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Securities premium reserve		
Balance at the end beginning/end of the year	518.17	518.17
General reserve		
Balance at the beginning of the year	54.54	35.63
Add : Amount transferred from Statement of Profit and loss	-	18.91
Balance at the end of the year	54.54	54.54
Share options outstanding account		
Addition during the year	8.02	-
Balance at the end of the year	8.02	-
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	1,238.57	949.35
Add : Profit for the year	400.88	378.23
Less: Depreciation adjustment	-	0.80
Less: Proposed final dividend on equity shares	60.00	57.31
Less: Dividend distribution tax	12.21	11.99
Add: Dividend distribution tax credit of earlier years	0.33	-
Less : Transfer to general reserve	-	18.91
Net surplus in the Statement of Profit and Loss	1,567.57	1,238.57
	2,148.30	**1,811.28**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

5. Borrowings

	As at 31 March 2016		As at 31 March 2015	
	Long term Rs. in crores	Short term Rs. in crores	Long term Rs. in crores	Short term Rs. in crores
Borrowings				
Secured				
Vehicle loans	1.76	-	0.89	-
Term loans from banks	86.73	-	-	-
Loans repayable on demand from banks:				
Cash credit facilities	-	638.68	-	448.11
Packing credit facilities	-	63.19	-	40.00
Post shipment credit facilities	-	33.74	-	43.63
Demand loan	-	49.63	-	99.23
Unsecured				
Commercial papers	-	96.66	-	50.00
	88.49	881.90	0.89	680.97
Less: Reclassified to current maturities	(30.26)	-	(0.48)	-
	58.23	**881.90**	**0.41**	**680.97**

1) Term loans (including current maturities) comprises

a) Two term loans aggregating to Rs. 66 crores (previous year Rs. nil) are secured against first and exclusive registered mortgage charge on immovable properties being land and building located at Farm House No. A-1, Village Asola, New Delhi, Farm House No. D-12 & D-13 Village Asola, New Delhi belonging to a body corporate. These loans are further fully secured by personal guarantees of promoters directors and their certain relatives and corporate guarantees of said body corporate. The rate of interest shall be agreed between the Company and the bank at the time of disbursement and is currently 11.25% p.a. for the disbursements already made by the bank.

The terms of repayment for a term loan amounting to Rs 26.40 crores are as follows:

(i) 30% of the amount to be paid on the date of expiry of 3 months from the date of first disbursement.

(ii) Next 30% of the amount to be paid on the date of expiry of 6 months from the date of first disbursement.

(iii) Remaining 60% of the amount to be paid on the date of expiry of 24 months from the date of first disbursement.

The balance term loan of Rs 39.60 crores is repayable by way of 36 instalments starting from the end of 25 months from the date of first disbursement of term loan under the facility.

b) Two term loans aggregating to Rs. 21 crores (previous year Rs. nil) are secured against first and exclusive registered mortgage charge on immovable properties being land and building located at Farm House No. A-2, Village Asola, New Delhi belonging to a body corporate. These loans are further fully secured by personal guarantees of promoters directors and their certain relatives and corporate guarantees of said body corporate. The rate of interest shall be agreed between the Company and the bank at the time of disbursement and is currently 11.25% p.a. for the disbursements already made by the bank.

The terms of repayment for a term loan amounting to Rs 8.40 crores are as follows:

(i) 30% of the amount to be paid on the date of expiry of 3 months from the date of first disbursement.

(ii) Next 30% of the amount to be paid on the date of expiry of 6 months from the date of first disbursement.

(iii) Remaining 60% of the amount to be paid on the date of expiry of 24 months from the date of first disbursement.

The balance term loan of Rs 12.60 crores is repayable by way of 36 instalments starting from the end of 25 months from the date of first disbursement of term loan under the facility.

2) Cash credit facilities, packing credit facilities, post shipment credit facilities and demand loans are secured against first pari passu charge on current assets, fixed assets and fixed deposits of the Company. There loans are further fully secured by personal guarantees of promoters directors and their certain relatives and corporate guarantees and collateral securities of other companies. Interest rate on cash credit facilities ranges from 10.55% to 12.45% p.a. Interest rate on packing credit facilities and post shipment credit facilities ranges from 9.75% to 11.40% p.a.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

5. Borrowings (contd.)

3) Vehicle loans are repayable in maximum 60 equal monthly instalments over the tenure of the loans and the final instalments are due for repayment in September 2020. These loans are secured by way of hypothecation of assets, thus purchased. Rate of interest on vehicle loans ranges from 10% to 12.50% p.a.

4) Commercial papers comprises

a) Commercial paper of face value of Rs. 50 crores, which are due for repayment on 26 August 2016. Discount rate on said commercial paper is 9.30% p.a.

b) Commercial paper of face value of Rs. 50 crores, which are due for repayment on 6 August 2016. Discount rate on said commercial paper is 9.30% p.a.

6. Provisions

	As at 31 March 2016		As at 31 March 2015	
	Long term Rs. in crores	Short term Rs. in crores	Long term Rs. in crores	Short term Rs. in crores
Provisions for employee benefits (Refer note (a) below)	4.31	0.51	2.87	0.18
Provision for taxation (net of prepaid taxes)	-	121.91	-	108.31
Proposed equity dividend (Rs. 3.35 per share (previous year Rs. 3.20 per share))	-	60.00	-	57.31
Provision for corporate dividend tax	-	12.21	-	11.99
Provision for wealth tax	-	-	-	0.10
	4.31	**194.63**	**2.87**	**177.89**

(a) Employee benefits

	Gratuity	
	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	3.05	1.87
Service cost	1.10	0.96
Interest cost	0.24	0.17
Benefits paid	(0.01)	*
Actuarial (gain)/loss	(0.53)	0.05
Projected benefit obligation at the end of the year	**3.85**	**3.05**
Long -term	3.52	2.87
Short-term	0.33	0.18
* rounded off to nil		
Expense recognised in the Statement of Profit and Loss		
Service cost	1.10	0.96
Interest cost	0.24	0.17
Recognised net actuarial (gain)/loss	(0.53)	0.05
Net costs	**0.81**	**1.18**
Assumptions used		
Discount rate	7.90%	7.80%
Long-term rate of compensation increase	8.00%	8.00%
Average remaining life	29.76	30.32

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

6. Provisions (contd.)

Amounts for the current and previous four years are as follows:

(Rs. in crores)

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligations	3.85	3.05	1.87	1.31	0.63
Experience adjustments on planned liabilities - gain/(loss)	0.50	0.25	0.04	(0.05)	0.02

Compensated absences

	31 March 2016
Assumptions used	
Discount rate	7.90%
Long-term rate of compensation increase	8.00%
Average remaining life	29.76

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 the employees' state insurance fund. These are in the nature of defined contribution plans. Contributions made by the Company, in the aforementioned plans, during the year amounted to Rs. 3.57 crores (previous year - Rs. 2. 33 crores).

7. Other current liabilities

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Current maturities of long term borrowings	30.26	0.48
Interest accrued but not due on borrowings	2.54	2.14
Application money received on allotment of securities and due for refund*	0.02	0.02
Unclaimed dividends*	0.05	0.02
Statutory dues	2.47	4.41
Employee related payables	5.38	7.10
Deferred lease rent	17.63	15.78
Advance from customers	42.42	7.99
Creditors for capital goods	2.31	0.47
Other accruals and payables	8.11	11.21
	111.19	**49.62**

** Not due for deposit in the investor education and protection fund*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

8. Fixed assets

(Rs. in crores)

	Tangible assets								
Gross block	**Land**	**Building**	**Leasehold improvements**	**Plant and machinery**	**Office equipments**	**Computers**	**Furniture and fixtures**	**Vehicles**	**Total**
Balance as at 1 April 2014	**7.58**	**4.36**	**57.08**	**10.81**	**22.14**	**3.25**	**4.30**	**8.14**	**117.66**
Additions	-	-	18.64	1.36	5.56	1.55	1.43	1.44	29.98
Disposals	-	-	(0.09)	-	*	-	-	(0.15)	(0.24)
Balance as at 31 March 2015	**7.58**	**4.36**	**75.63**	**12.17**	**27.70**	**4.80**	**5.73**	**9.43**	**147.40**
Additions	-	0.23	12.94	0.23	4.54	1.25	1.69	2.35	23.23
Disposals	-	-	-	-	-	(0.06)	-	(0.75)	(0.81)
Other adjustments (refer note 3 below)	-	-	0.34	(4.34)	4.00	-	-	-	-
Balance as at 31 March 2016	**7.58**	**4.59**	**88.91**	**8.06**	**36.24**	**5.99**	**7.42**	**11.03**	**169.82**
Accumulated depreciation and amortisation									
Balance as at 1 April 2014	**-**	**1.18**	**15.05**	**3.16**	**6.31**	**1.93**	**1.19**	**4.90**	**33.72**
Charge for the year	-	0.30	7.14	1.62	10.36	1.22	1.02	1.36	23.02
Reversal on disposal/adjustments of assets	-	-	-	-	-	-	-	(0.13)	(0.13)
Other adjustments (refer note 2 below)	-	-	-	0.07	1.09	0.04	-	0.01	1.21
Balance as at 31 March 2015	**-**	**1.48**	**22.19**	**4.85**	**17.76**	**3.19**	**2.21**	**6.14**	**57.82**
Charge for the year	-	0.29	10.73	1.03	6.94	1.18	1.10	1.34	22.61
Reversal on disposal/adjustments of assets	-	-	-	-	-	(0.03)	*	(0.46)	(0.49)
Other adjustments (refer note 3 below)	-	-	0.10	(1.79)	1.69	-	-	-	-
Balance as at 31 March 2016	**-**	**1.77**	**33.02**	**4.09**	**26.39**	**4.34**	**3.31**	**7.02**	**79.94**
Net block									
Balance as at 31 March 2015	7.58	2.88	53.44	7.32	9.94	1.61	3.52	3.29	89.58
Balance as at 31 March 2016	7.58	2.82	55.89	3.97	9.85	1.65	4.11	4.01	89.88

* rounded off to nil

1. Effective from 1 April 2014, the Company has revised the estimates of computing the depreciation and amortisation based on the revised useful life of the assets as per the requirements of schedule II of the Act. Due to the aforementioned, the depreciation and amortisation charge for the year ended 31 March 2015 is higher by Rs. 9.18 crores and fixed assets and profit for the previous year is lower by a corresponding amount.
2. Further, based on the transitional provisions provided in Schedule II of the Act, an amount of Rs. 0.80 crores (net of deferred tax) has been adjusted with the opening reserves as at 1 April 2014.
3. Adjustments represents re-classification of assets from one head to another head basis reassessment performed by the management.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

9. Non current investments

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Trade investments (valued at cost unless otherwise stated)		
Investment in equity instruments (unquoted)		
In wholly owned subsidiary companies		
PC Universal Private Limited		
50,000 (previous year 50,000) equity shares of Rs. 10 each	0.05	0.05
Transforming Retail Private Limited		
10,000 (previous year 10,000) equity shares of Rs. 10 each	0.01	0.01
Luxury Products Trendsetter Private Limited		
10,000 (previous year Nil) equity shares of R.s 10 each	0.01	-
	0.07	0.06
Aggregate amount of unquoted investments	0.07	0.06

10. Deferred tax assets

Deferred tax assets arising on account of		
Timing difference on depreciation/amortisation of tangible assets	8.62	6.11
Provision for employee benefits	1.33	1.04
Deferred lease rent	6.12	5.37
Provision for discount	0.32	-
	16.39	12.52

11. Loans and advances

	As at 31 March 2016		As at 31 March 2015	
	Long term Rs. in crores	Short term Rs. in crores	Long term Rs. in crores	Short term Rs. in crores
(Unsecured, considered good)				
Capital advances	0.81	-	21.64	-
Security deposits	50.12	-	39.71	-
Loans and advances				
Loan to subsidiaries (also refer note 28)*	107.21	-	10.23	0.10
Loan to body corporate*	8.54	-	8.54	-
Other loans and advances:				
Prepaid expenses	-	1.21	-	5.65
Balances with government authorities	2.43	0.55	2.50	0.55
Advances to suppliers	-	361.88	-	219.96
Others	1.42	4.60	1.41	2.50
	170.53	**368.24**	**84.03**	**228.76**

** Loan has been given to Shivani Sarees Private Limited, PC Universal Private Limited and Luxury Products Trendsetter Private Limited for business purposes.*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

12. Other non current assets

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Non-current bank balances (Refer note 16)	4.88	3.16
Interest accrued on fixed deposits with banks	0.19	0.12
	5.07	3.28

13. Current investments

Trade investments		
Investments in mutual funds (quoted)		
Bank of India AXA Capital Protection Oriented Fund Series-5 (current year 6,00,000 units of Rs. 9.95 each, previous year nil)	0.60	-
Kotak Capital Protection Oriented Scheme Series-1 Growth Regular Plan (current year 1,00,000 units of Rs. 10.06 each, previous year nil)	0.10	-
Canara Robeco Capital Protection Oriented Fund-Series 2 (Plan A) - Regular Growth (current year 5,00,000 units of Rs. 10 each, previous year 5,00,000 units of Rs. 10 each)	0.50	0.50
Bank of India AXA Capital Protection Oriented Fund - Series 1 Regular Plan Growth (current year 4,99,990 units of Rs. 10 each, previous year 4,99,990 units of Rs. 10 each)	0.50	0.50
ICICI Prudential Capital Protection Oriented Fund Series IV Plan G - 60 months (current year 1,20,000 units of Rs. 10 each, previous year 1,20,000 units of Rs. 10 each)	0.12	0.12
SBI Equity Opportunities Fund Series 1- Regular plan - growth (current year 20,00,000 units of Rs. 10 each, previous year 20,00,000 units of Rs. 10 each)	2.00	2.00
SBI Equity Opportunities Fund Series 2- Regular plan - growth (current year 5,00,000 units of Rs. 9.76 each, previous year 5,00,000 units of Rs. 10 each)	0.48	0.50
Canara Robeco Capital Protection Oriented Fund-Series 3 Regular Growth (current year 1,49,99,400 units of Rs. 10 each, previous year 1,49,99,400 units of Rs. 10 each)	1.50	1.50
Canara Robeco Capital Protection Oriented Fund-Series 5 Regular Growth (current year 11,29,700 units of Rs. 10 each, previous year 11,29,700 units of Rs. 10 each)	1.13	1.13
HDFC CPO III - 1173D January 2015 - Regular Growth (current year 2,00,000 units of Rs. 10 each, previous year 2,00,000 units of Rs. 10 each)	0.20	0.20
ICICI Prudential Capital Protection Oriented Fund Series VI 1100 Days Plan D (current year 1,50,000 units of Rs. 10 each, previous year 1,50,000 units of Rs. 10 each)	0.15	0.15
SBI Dual Advantage Fund Series III - Regular Growth (current year 1,00,000 units of Rs. 10 each, previous year 1,00,000 units of Rs. 10 each)	0.10	0.10
Bank of India AXA Equity Debt Rebalancer Fund Regular Plan Growth (current year nil, previous year 9,17,952.58 units of Rs. 10.89 each and 8,84,883.24 units of Rs. 11.30 each)	-	2.00
SBI Banking and Finance Services Fund - Regular plan- growth (current year nil, previous year 20,00,000 units of Rs. 9.57 each)	-	1.91
SBI Magnum Balanced Fund-Regular plan- growth (current year nil, previous year 3,04,913.37 units of Rs. 65.59 each)	-	2.00
HDFC Equity Fund Growth (current year nil, previous year 486.56 units of Rs. 1,991.73 each)	-	0.01
SBI Magnum Global Fund Regular Plan Growth (current year nil, previous year 37,110.49 units of Rs. 134.73 each)	-	0.50
	7.38	**13.12**
Market value of quoted investments	8.10	15.07

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

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

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Raw materials	733.28	497.49
Work-in-progress	975.02	740.42
Finished goods - own manufactured	2,162.78	1,991.94
	3,871.08	**3,229.85**

15. Trade receivables (Unsecured, considered good)

Outstanding for a period exceeding six months from the due date	0.66	0.68
Others	907.56	766.85
	908.22	**767.53**

16. Cash and bank balances

Cash and cash equivalents		
Balances with banks in current accounts	88.28	56.55
Deposits with original maturity less than 3 months*	-	21.00
Cheques in hand	0.06	0.22
Cash in hand	4.33	14.34
	92.67	92.11
Other bank balances		
Unclaimed dividend account**	0.05	0.02
Deposits with maturity more than 3 months but less than 12 months*	193.71	181.98
Deposits with more than 12 months maturity*	4.88	3.16
	291.31	277.27
Less : Amounts disclosed as other non-current assets (refer note 12)	(4.88)	(3.16)
	286.43	**274.11**

** Amount held as margin money with the banks*
*** Not due for deposit in the investor education and protection fund*

17. Other current assets

Interest accrued on		
- fixed deposits	4.83	5.09
- loans to subsidiaries	0.63	0.07
- loan to others	0.47	0.45
Foreign currency receivables, net	19.01	3.06
	24.94	**8.67**

18. Contingent liabilities and commitments (to the extent not provided for)

Claims against the Company not acknowledged as debt		
Legal case *	0.55	0.55
Income-tax matters	1.01	0.59
Corporate guarantee for loan taken by wholly owned subsidiary company, PC Universal Private Limited**	-	14.00
Estimated amount of contracts remaining to be executed on capital account and not provided for	1.32	1.52

** excluding interest which is not ascertainable*
*** Guarantees provided to the lender of the wholly owned subsidiary company were for availing banking facilities for business purpose.*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

19. Revenue from operations

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Sale of products		
Export	2,092.94	1,809.82
Domestic	5,166.13	4,538.70
	7,259.07	**6,348.52**
Details of products sold		
Finished goods - own manufactured *		
Gold jewellery and articles	5,783.48	4,902.77
Diamond studded jewellery **	1,456.19	1,430.46
Silver made ups and others ***	19.40	15.29
	7,259.07	**6,348.52**

** 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.*

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

**** Includes platinum jewellery and watches.*

20. Other income

Interest income on:		
fixed deposits with banks	16.86	20.40
loans to subsidiaries	1.70	0.07
loan to a body corporate	0.85	0.85
Others	-	0.05
Net gain on foreign currency transactions and translations	27.43	23.27
Profit on sale of investments	1.31	13.46
Profit on disposal of fixed assets	-	0.01
Other non-operating income	1.41	1.08
	49.56	**59.19**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

21. Cost of materials consumed

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Raw material		
Opening stock	497.49	670.78
Add : purchases during the year	6,881.95	6,232.09
Less : closing stock	733.28	497.49
	6,646.16	**6,405.38**
Details of raw materials		
Opening stock		
Gold	13.55	34.71
Diamonds	483.80	635.77
Others	0.14	0.30
	497.49	**670.78**
Closing stock		
Gold	11.41	13.55
Diamonds	721.76	483.80
Others	0.11	0.14
	733.28	**497.49**
Purchases during the year		
Gold	5,344.42	4,977.33
Diamonds	1,518.30	1,242.82
Others	19.23	11.94
	6,881.95	**6,232.09**
Consumed during the year		
Gold	5,346.56	4,998.49
Diamonds	1,280.34	1,394.79
Others	19.26	12.10
	6,646.16	**6,405.38**

22. Changes in inventories of finished goods and work-in-progress

Closing stock		
- Finished goods - own manufactured	2,162.78	1,991.94
- Work-in-progress	975.02	740.42
	3,137.80	2,732.36
Opening stock		
- Finished goods - own manufactured	1,991.94	954.93
- Work-in-progress	740.42	751.42
	2,732.36	1,706.35
	405.44	**1,026.01**
Details of finished goods- own manufactured		
Gold	987.95	995.05
Diamond	1,159.27	986.01
Silver made ups and others *	15.56	10.88
	2,162.78	**1,991.94**
Details of work-in-progress		
Gold	666.75	583.78
Diamond	308.27	155.90
Silver made ups and others *	-	0.74
	975.02	**740.42**

** Includes platinum jewellery and watches.*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

23. Purchase of traded goods

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Silver made ups and others	4.04	2.96
	4.04	**2.96**

24. Employee benefits expense

Salaries, wages and bonus	54.69	50.16
Contribution to provident and other defined contribution funds	3.57	2.33
Expense on employee stock option scheme	8.02	-
Staff welfare expenses	3.89	3.06
	70.17	**55.55**

25. Finance costs

Interest on:		
loan	168.73	191.00
late deposit of advance tax	11.26	8.83
Processing fees and commission	34.66	21.04
	214.65	**220.87**

26. Other expenses

Advertisement	28.50	46.41
Labour charges	48.84	37.13
Hallmarking charges	0.61	0.53
Packing expenses	3.12	2.24
Rent	43.56	38.99
Business promotion	40.43	13.07
Communication	4.51	4.13
Repairs and maintenance		
- office	3.01	1.35
- others	-	0.68
Discount and commission*	2.39	6.23
Electricity and water	7.58	6.36
Vehicle running and maintenance	1.06	1.02
Insurance	3.73	2.64
Legal and professional	5.50	4.52
Rates and taxes	1.64	0.19
Printing and stationery	1.25	1.42
Security expenses	7.86	6.19
Travelling and conveyance	3.99	3.62
Intangible assets under development written off	-	1.10
Bad debts written off	-	0.12
Loss on sale of fixed assets	0.03	-
Bank charges	6.12	5.95
Donation	2.13	2.33
Expenditure on corporate social responsibility activities	1.75	-
Miscellaneous	0.16	0.40
	217.77	**186.62**

** interalia, includes Rs. 0.93 crores (previous year Rs. nil) provided against an incentive scheme for sale of jewellery.*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

27. Earning per share

	As at 31 March 2016	As at 31 March 2015
a) Computation of profit per Statement of Profit and Loss attributable to equity shareholders		
Net profit attributable to equity shareholders (Rs. in crores)	400.88	378.23
b) Computation of weighted average number of shares (in nos.) for *		
Basic earnings per share	179,100,000	179,100,000
Diluted earnings per share	179,417,881	179,100,000
c) Nominal value of shares (Rs.)	10	10
d) Earnings per share		
- Basic (Rs.)	22.38	21.12
- Diluted (Rs.)	22.34	21.12
*** Reconciliation of weighted average number of shares**		
Weighted average number of shares (in nos.) for basic earnings per share	179,100,000	179,100,000
Add: Employee stock options outstanding	317,881	-
Weighted average number of shares (in nos.) for diluted earnings per share	179,417,881	179,100,000

28. Related party transactions

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

(i) Names of related parties where control exists

Mr. Balram Garg and Mr. Padam Chand Gupta
PC Universal Private Limited - wholly owned subsidiary *
Transforming Retail Private Limited - wholly owned subsidiary with effect from 24 September 2014 *
Luxury Products Trendsetter Private Limited - wholly owned subsidiary with effect from 11 December 2015 *

** Certain directors of the Company are also directors in these entities.*

(ii) Key management personnel

Mr. Padam Chand Gupta : Chairman
Mr. Balram Garg : Managing Director

(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. Krishna Devi : Wife of Mr. Padam Chand Gupta
Ms. Pooja Garg : Wife of Mr. Balram Garg

(iv) Other entities in which key management personnel has significant influence **

Onyx Townships Private Limited (till 10 June 2014)
Padam Chand, Hindu Undivided Family
Balram Garg, Hindu Undivided Family

*** where transactions have occurred during the year.*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

28. Related party transactions (contd.)

(v) Transactions with related parties during the year

(Rs. in crores)

Particulars	Wholly owned subsidiary		Key management personnel		Relatives of key management personnel		Other parties		Total	
	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015
Rent paid	-	-	**0.34**	**0.34**	**0.08**	**0.08**	-	**0.08**	**0.42**	**0.50**
Mr. Padam Chand Gupta	-	-	0.32	0.32	-	-	-	-	0.32	0.32
Mr. Nitin Gupta	-	-	-	-	0.04	0.04	-	-	0.04	0.04
Mr. Sachin Gupta	-	-	-	-	0.04	0.04	-	-	0.04	0.04
Onyx Townships Private Limited	-	-	-	-	-	-	-	0.08	-	0.08
Remuneration paid	-	-	**6.03**	**6.02**	**0.39**	**1.19**	-	-	**6.42**	**7.21**
Mr. Balram Garg	-	-	6.00	6.00	-	-	-	-	6.00	6.00
Mr. Nitin Gupta	-	-	-	-	0.39	0.62	-	-	0.39	0.62
Mr. Sachin Gupta	-	-	-	-	-	0.53	-	-	-	0.53
Rent income	**0.08**	**0.09**	-	-	-	-	-	-	**0.08**	**0.09**
PC Universal Private Limited	0.08	0.09	-	-	-	-	-	-	0.08	0.09
Loan given	**110.38**	**10.23**	-	-	-	-	-	-	**110.38**	**10.23**
PC Universal Private Limited	108.53	10.23	-	-	-	-	-	-	108.53	10.23
Luxury Products Trendsetter Private Limited	1.85	-	-	-	-	-	-	-	1.85	-
Expenses incurred on behalf of	**0.02**	**0.02**	-	-	-	-	-	-	**0.02**	**0.02**
PC Universal Private Limited	0.02	0.02	-	-	-	-	-	-	0.02	0.02
Interest income on loan	**1.70**	**0.07**	-	-	-	-	-	-	**1.70**	**0.07**
PC Universal Private Limited	1.66	0.07	-	-	-	-	-	-	1.66	0.07
Luxury Products Trendsetter Private Limited	0.04	-	-	-	-	-	-	-	0.04	-
Sale of goods	**9.73**	-	-	-	-	-	-	-	**9.73**	-
Transforming Retail Private Limited	9.73	-	-	-	-	-	-	-	9.73	-
Sale of fixed assets	**0.03**	-	-	-	-	-	-	-	**0.03**	-
Transforming Retail Private Limited	0.03	-	-	-	-	-	-	-	0.03	-
Sale of website	**0.01**	-	-	-	-	-	-	-	**0.01**	-
Transforming Retail Private Limited	0.01	-	-	-	-	-	-	-	0.01	-
Corporate guarantee given	-	**14.00**	-	-		-	-	-	-	**14.00**
PC Universal Private Limited	-	14.00	-	-	-	-	-	-	-	14.00

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

28. Related party transactions (contd.)

(Rs. in crores)

Particulars	Wholly owned subsidiary		Key management personnel		Relatives of key management personnel		Other parties		Total	
	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015
Investment	**0.01**	**0.01**	-	-	-	-	-	-	**0.01**	**0.01**
Transforming Retail Private Limited	-	0.01	-	-	-	-	-	-	-	0.01
Luxury Products Trendsetter Private Limited	0.01	-	-	-	-	-	-	-	0.01	-
Security deposit received	-	**0.02**	-	-	-	-	-	-	-	**0.02**
PC Universal Private Limited	-	0.02	-	-	-	-	-	-	-	0.02
Final dividend paid	-	-	**37.54**	**17.60**	**2.13**	**1.00**	**0.35**	**0.17**	**40.02**	**18.77**
Mr. Balram Garg	-	-	21.42	10.04	-	-	-	-	21.42	10.04
Mr. Padam Chand Gupta	-	-	16.12	7.56	-	-	-	-	16.12	7.56
Smt. Krishna Devi	-	-	-	-	1.71	0.80	-	-	1.71	0.80
Mr. Sachin Gupta	-	-	-	-	0.32	0.15	-	-	0.32	0.15
Padam Chand, Hindu Undivided Family	-	-	-	-	-	-	0.35	0.16	0.35	0.16

Note:

All related party transactions, the amount of which is in excess of 10% of total related party transactions of the same type has been disclosed separately, in accordance with Accounting Standard 18 - Related Party Disclosures, notified under the Act.

(vi) Year ended balances of related parties

(Rs. in crores)

Particulars	Wholly owned subsidiary		Key management personnel		Relatives of key management personnel		Other parties		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Loan and advances	**107.21**	**10.25**	-	-	-	-	-	-	**107.21**	**10.25**
PC Universal Private Limited	105.36	10.25	-	-	-	-	-	-	105.36	10.25
Luxury Products Trendsetter Private Limited	1.85	-	-	-	-	-	-	-	1.85	-
Loan and advances - Rental income receivable	-	**0.08**	-	-	-	-	-	-	-	**0.08**
PC Universal Private Limited	-	0.08	-	-	-	-	-	-	-	0.08
Interest accrued on loan	**0.63**	**0.07**	-	-	-	-	-	-	**0.63**	**0.07**
PC Universal Private Limited	0.59	0.07	-	-	-	-	-	-	0.59	0.07
Luxury Products Trendsetter Private Limited	0.04	-	-	-	-	-	-	-	0.04	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

28. Related party transactions (contd.)

(Rs. in crores)

Particulars	Wholly owned subsidiary		Key management personnel		Relatives of key management personnel		Other parties		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Trade receivables	**2.21**	-	-	-	-	-	-	-	**2.21**	-
Transforming Retail Private Limited	2.21	-	-	-	-	-	-	-	2.21	-
Investment	**0.07**	**0.06**	-	-	-	-	-	-	**0.07**	**0.06**
Transforming Retail Private Limited	0.01	0.01	-	-	-	-	-	-	0.01	0.01
Luxury Products Trendsetter Private Limited	0.01	-	-	-	-	-	-	-	0.01	-
PC Universal Private Limited	0.05	0.05	-	-	-	-	-	-	0.05	0.05
Other current liabilities - Remuneration	-	-	**0.50**	**0.50**	**0.03**	**0.03**	-	-	**0.53**	**0.53**
Mr. Balram Garg	-	-	0.50	0.50	-	-	-	-	0.50	0.50
Mr. Nitin Gupta	-	-	-	-	0.03	0.03	-	-	0.03	0.03
Other current liabilities - Security deposit	**0.02**	**0.02**	-	-	-	-	-	-	**0.02**	**0.02**
PC Universal Private Limited	0.02	0.02		-	-	-	-	-	0.02	0.02

Note:

All related party transactions, the amount of which is in excess of 10% of total related party transactions of the same type has been disclosed separately, in accordance with Accounting Standard 18 - Related Party Disclosures, notified under the Act.

29. Employees' Stock Option Plan :

PC Jeweller Limited Employee Stock Option Plan 2011

i) During the year ended 31 March 2012, the Company had formulated Employee Stock Option Scheme referred to as PC Jeweller Limited Employees' Stock Option Plan 2011 (the 'Plan') for all eligible employees/directors of the Company except an employee who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through and body corporate, directly or indirectly, holds more than 10% of outstanding equity shares of the Company.

The plan is to be implemented by the Compensation Committee under the policy and framework laid down by the Company and/or Board of Directors of the Company, in accordance with the authority delegated to the Compensation Committee in this regard from time to time and subject to the amendments, modifications and alterations to the plan made by the Company and/or Board of Directors in this connection. The issuance of the shares will be under the guidance, advice and directions of the Compensation Committee constituted under this Plan.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

ii) The Company has granted stock options on 14 May 2015, details of which are as follows:

Options granted	726,300			
Date of grant	14 May 2015			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth as follows			
	Vesting	Number of months from the date of grant of options	percentage of options vested	Cumulative percentage of options vested
	1	12	10	10
	2	24	20	30
	3	36	30	60
	4	48	40	100
Exercise price	Rs. 10			
Exercise period	8 years			
Accounting method used by the Company to value its option	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Employee should be in service at vesting and exercise date			

iii) The details of activity under the plan has been summarised below

Particulars	Number of options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life of options (in years)
Granted during the year	726,300	10	
Outstanding at the end of the year	726,300	10	7.12
Exercisable at the end of the year	-	-	

iv) The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Weighted average share price/Fair value of shares	Rs. 318.22
Exercise price	Rs. 10
Weighted historical volatility	52.61%
Time to maturity-years	8
Dividend yield	0.71%
Risk free rate - Annual	from 7.97% to 8.04%

v) Impact of the employee share-based payment plan on the Statement of Profit and Loss and on its financial position

Particulars	Rs. in crores
Total employee compensation cost pertaining to share based payment plans	8.02
Compensation cost pertaining to equity-settled employee share-based payment plan included above	8.02
Total liability for employee stock option outstanding at year end	8.02
Intrinsic value of liability at year end for which right to cash/other assets have vested (eg. vested stock appreciation rights)	Nil

vi) In March 2005, the ICAI has issued a guidance note on 'Accounting for Employees Share Based Payments' applicable to employee based share plan, the grant date in respect of which falls on or after 1 April 2005. The said guidance note requires the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. As the Company has used the intrinsic value method and the management has obtained fair value of the options at the date of grant from an independent valuer, using the 'Black Scholes Valuation Model' at Rs. 318.22 per option vis a vis the intrinsic value of Rs. 318.50 per option, hence there is no significant impact on the reported profits and earnings per share.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

30. 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 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Forward contract buy		
Number of contracts	8	3
Amount in United States Dollar ('USD')- in crores	1.25	0.95
Forward contract sell		
Number of contracts	58	42
Amount in United States Dollar ('USD')- in crores	12.65	16.49

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

Included in trade payables		
Amount in United States Dollar ('USD')- in crores	29.81	24.87
Amount in Rs. in crores	1,997.30	1,561.55
Currency rate	66.33/67.45	62.59/63.00
Included in trade receivables		
Amount in United States Dollar ('USD')- in crores	0.71	-
Amount in Rs. in crores	47.00	-
Currency rate	66.40	-

31. Earnings in foreign currency

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Export value of goods	2,092.94	1,809.82
Other income	1.08	1.17
	2,094.02	**1,810.99**

32. Expenditure in foreign currency

Professional and consultation fees	0.27	-
Others	2.53	0.68
	2.80	**0.68**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

33. Imported and indigenous consumption

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Raw materials		
Imported		
Amount	1,956.48	1,096.08
Percentage	29%	17%
Indigenous		
Amount	4,689.68	5,309.30
Percentage	71%	83%
Total		
Amount	**6,646.16**	**6,405.38**
Percentage	100%	100%

34. Value of imports on CIF basis

Raw materials	1,956.48	1,096.08
Capital goods	0.56	1.26
	1,957.04	1,097.34

35. Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year ended 31 March 2016 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
Principal	-	-
Interest	-	-
ii) The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The total dues of micro, small and medium enterprises which were outstanding for more than stipulated period are Rs. nil (Previous year Rs. nil) as on balance sheet date.

36. (i) Disclosures in respect of non-cancellable operating leases

Particulars		
Payable not later than one year	37.78	33.85
Payable later than one year not later than five years	139.13	139.09
Payable later than five years	46.73	59.87
	223.64	**232.81**

(ii) Lease payments under operating lease are disclosed as 'Rent' in the Statement of Profit and Loss.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

37. Payments to auditors

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
As auditors	0.57	0.50
For other services	0.64	0.35
For reimbursement of expenses	0.02	0.02
Towards service tax	0.18	0.11
	1.41	0.98

38. Disclosure for segment information as required by Accounting Standard 17 - Segment Reporting, notified under the Act has been provided in the Consolidated Financial Statements of the Group comprising the Company and its wholly owned subsidiaries.

39. Details of amounts due from entities pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. in crores)

Name of the entity	Maximum balance outstanding during the year ended 31 March 2016	Balance outstanding as on 31 March 2016	Investment in the entity as on 31 March 2016	Maximum balance outstanding during the year ended 31 March 2015	Balance outstanding as on 31 March 2015	Investment in the entity as on 31 March 2015
PC Universal Private Limited	105.95	105.95	0.05	10.34	10.33	0.05
Luxury Products Trendsetter Private Limited	1.89	1.89	0.01	-	-	-
Transforming Retail Private Limited	3.90	2.21	0.01	-	-	0.01

40. In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Company was to spend a sum of Rs. 9.48 crores towards CSR activities during the year ended 31 March 2016. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalisation of such proposals in due course. During the period ended 31 March 2016, the Company has contributed the following sums towards CSR initiatives.

(Rs. in crores)

	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.75	-	1.75

41. Excise duty has become applicable on certain jewellery manufactured and sold by the Company from the midnight of 29 February 2016. The Company has not recovered any excise duty from its customers on sales being made till 31 March 2016. However, it has recorded provision in respect of its excise duty liability, amounting to Rs. 0.29 crores, on aforesaid sales.

42. Details of guarantee given covered under section 186 (4) of the Act

(Rs. in crores)

Particulars	PC Universal Private Limited
Guarantees outstanding at the beginning of the year	14.00
Guarantees revoked during the year	14.00
Guarantees outstanding at the end of the year	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

43. Subsequent to the year end, the Company has allotted 42,69,984 compulsorily convertible debentures of face value Rs 1,000 each by way of a preferential allotment on private placement basis.

44. Reclassifications

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

For and on behalf of the board of directors

Sd/-	Sd/-	Sd/-	Sd/-
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	Chief Financial Officer	Chairman	Managing Director
Membership No. A19063		DIN-00032794	DIN-00032083

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

for **Sharad Jain Associates**
Chartered Accountants

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

Place: New Delhi
Date: 30 May 2016

Sd/-
per **Sharad Jain**
Partner

Sd/-
per **Anupam Kumar**
Partner

INDEPENDENT AUDITORS' REPORT

To the Members of PC Jeweller Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of PC Jeweller Limited (the 'Parent Company') and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Parent Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Parent Company's Board of Directors and the respective Board of Directors of the subsidiaries included in the Group are responsible for 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. Further, in terms with the provisions of the Act, the respective Board of Directors of the Parent Company and its subsidiaries are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Parent Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditors' report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Parent Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by Sharad Jain Associates ('SJA' or 'other auditors') in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

8. 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 SJA on the financial statements of the subsidiaries, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31 March 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

9. We did not jointly audit the financial statements of three subsidiaries, included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 124.22 crore as at 31 March 2016, total revenues (after eliminating intra-group transactions) of Rs.80.85 crore and net cash flows amounting to Rs. 6.75 crore for the year ended on that date. These financial statements have been audited by SJA whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of SJA.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) the reports on the accounts of the subsidiary companies, audited by the other auditors have been sent to us and have been properly dealt with in preparing this report;

d) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

e) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

f) On the basis of the written representations received from the directors of the Parent Company as on 31 March 2016 taken on record by the Board of Directors of the Parent Company and the reports of SJA of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company and its subsidiary companies, as of 31 March 2016, in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date and our report dated 30 May 2016 as per Annexure I expressed unmodified opinion; and

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) as detailed in Note 18, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
F. R. No. 001076N/N500013

Sd/-
per **Anupam Kumar**
Partner
Membership No. 501531

Address: L 41, Connaught Circus
New Delhi - 110001

For **Sharad Jain Associates**
Chartered Accountants
F. R. No. 015201N

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

Address: 213, Hans Bhawan,
1, Bahadur shah Zafar Marg
Delhi – 110 002

Place: New Delhi
Date: 30 May 2016

Annexure I to the Independent Auditors' Report of even date to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2016

Annexure I

Independent Auditors' report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the consolidated financial statements of the PC Jeweller Limited (the 'Parent Company') and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group') as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Parent Company and its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Parent Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of the Company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Parent Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing (the 'Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by Sharad Jain Associates ('SJA') in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Parent Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Parent Company and its subsidiary companies, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to three subsidiary companies whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 124.22 crore as at 31 March 2016, total revenues (after eliminating intra-group transactions) of Rs. 80.85 crore and net cash flows amounting to Rs. 6.75 crore for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Parent Company and its subsidiary companies, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, is solely based on the corresponding reports of SJA. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of SJA.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
F. R. No.001076N/N500013

Sd/-
per **Anupam Kumar**
Partner
Membership No. 501531

Address: L 41, Connaught Circus
New Delhi - 110001

For **Sharad Jain Associates**
Chartered Accountants
F. R. No. 015201N

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

Address: 213, Hans Bhawan,
1, Bahadur shah Zafar Marg
Delhi – 110 002

Place: New Delhi
Date: 30 May 2016

CONSOLIDATED BALANCE SHEET

as at 31 March 2016

	Notes	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Equity and liabilities			
Shareholders' funds			
Share capital	4	179.10	179.10
Reserves and surplus	5	2,147.26	1,811.47
		2,326.36	**1,990.57**
Non current liabilities			
Long term borrowings	6	58.23	0.41
Long term provisions	7	4.34	2.87
		62.57	**3.28**
Current liabilities			
Short term borrowings	6	881.93	681.00
Trade payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and medium enterprises		2,184.47	1,821.53
Other current liabilities	8	112.26	49.66
Short term provisions	7	194.75	177.93
		3,373.41	**2,730.12**
		5,762.34	**4,723.97**
Assets			
Non current assets			
Fixed assets			
Tangible assets	9A	90.11	89.62
Intangible assets	9B	1.08	-
Deferred tax assets	10	17.33	12.52
Long term loans and advances	11	63.69	73.75
Other non current assets	12	5.07	3.28
		177.28	**179.17**
Current assets			
Current investments	13	7.38	13.12
Inventories	14	3,872.19	3,229.85
Trade receivables	15	976.00	780.42
Cash and bank balances	16	336.76	284.00
Short term loans and advances	11	368.28	228.76
Other current assets	17	24.45	8.65
		5,585.06	**4,544.80**
		5,762.34	**4,723.97**
Notes 1 to 38 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
Membership No. A19063		DIN-00032794	DIN-00032083

This is the Consolidated 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 **Anupam Kumar**
Partner

Place : New Delhi
Date : 30 May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2016

	Notes	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Revenue			
Revenue from operations	19	7,330.18	6,361.28
Other income	20	48.70	59.21
Total revenue		**7,378.88**	**6,420.49**
Expenses			
Cost of materials consumed	21	6,714.74	6,417.63
Changes in inventories of finished goods and work-in-progress	22	-406.55	-1,026.01
Purchases of traded goods	23	4.16	2.96
Employee benefits expense	24	72.12	55.73
Finance costs	25	214.95	219.89
Depreciation and amortisation expense	9A & 9B	22.66	23.02
Other expenses	26	220.29	187.75
Total expenses		**6,842.37**	**5,880.97**
Profit before tax		536.51	539.52
Tax expense:			
Current tax			
- current year		160.68	162.47
- earlier years		-19.02	-
Deferred tax benefit		-4.81	-1.38
Total - tax expense		136.85	161.09
Profit for the year		**399.66**	**378.43**
Earnings per equity share of Rs. 10 each (Rs.)	27		
- Basic		22.32	21.13
- Diluted		22.28	21.13
Notes 1 to 38 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
Membership No. A19063		DIN-00032794	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 **Anupam Kumar**
Partner

Place : New Delhi
Date : 30 May 2016

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2016

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	536.51	539.52
Depreciation and amortisation expense	22.66	23.02
Unrealised foreign exchange (gain)/loss	(20.19)	5.85
Net loss/(profit) on disposal of fixed assets	0.03	(0.01)
Intangible assets under development written off	-	1.10
Profit on sale of investment	(1.31)	(13.45)
Interest income on fixed deposit	(17.52)	(20.44)
Interest income on loan given	(0.85)	(0.90)
Bad debts written off	-	0.12
Interest expense	214.95	219.89
Expense on employee stock option scheme	8.02	-
Operating profit before working capital changes	**742.30**	**754.70**
Adjustments for:		
(Increase) in inventories	(642.34)	(852.72)
(Increase) in trade receivables	(190.67)	(151.34)
(Increase)/decrease in loans and advances	(150.29)	228.01
Decrease in other current assets	5.14	72.84
Increase in current liabilities and provisions	390.88	410.15
Cash generated from operating activities	**155.02**	**461.64**
Direct taxes paid	139.47	128.90
Net cash generated from operating activities	**15.55**	**332.74**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets including capital advances	(3.72)	(28.91)
Proceeds from disposal of fixed assets	0.29	0.03
Proceeds from redemption of current investments, net	7.05	185.28
Interest received	18.44	23.47
(Purchase)/sale of fixed deposits, net	(47.12)	33.21
Net cash (used in)/generated from investing activities	**(25.06)**	**213.08**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term loans	97.53	0.65
Repayment of long term loans	(9.93	(0.98
Proceeds/(repayment) of short term borrowings, net	200.88	(322.46
Dividends paid including corporate dividend tax	(68.97)	(31.43
Interest paid	(202.69)	(210.54
Net cash generated from/(used in) financing activities	**16.82**	**(564.76)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**7.31**	**(18.94)**
Opening cash and cash equivalents	92.21	111.15
Closing cash and cash equivalents (refer note 16)	99.52	92.21
	7.31	**(18.94)**
Notes 1 to 38 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
Membership No. A19063		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

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

Sd/-
per **Sharad Jain**
Partner

Sd/-
per **Anupam Kumar**
Partner

Place : New Delhi
Date : 30 May 2016

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

1. COMPANY OVERVIEW

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

On 28 February 2013, 24 September 2014 and 11 December 2015 respectively, the Parent Company incorporated PC Universal Private Limited ('PCUPL'), Transforming Retail private limited ('TRPL') and Luxury Products Trendsetter Private Limited ('LPTPL'), wholly owned subsidiary companies.

2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Parent Company and its undermentioned subsidiaries (hereinafter referred as the 'Group')-

i) PC Universal Private Limited, India 100% subsidiary with effect from 28 February 2013
ii) Transforming Retail Private Limited, India 100% subsidiary with effect from 24 September 2014
iii) Luxury Products Trendsetter Private Limited, India 100% subsidiary with effect from 11 December 2015

The consolidated financial Statements have been prepared in accordance with the notified Accounting Standard (AS-21) on 'consolidated financial statement'. The consolidated financial statements have been 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 subsidiaries which is more than 50 percent owned or controlled as at the year end.

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/losses 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) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Company's standalone financial statements. Differences in accounting policies, if any, are disclosed separately.

v) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as of the Parent Company.

vi) As per Schedule III to the Companies Act, 2013 (the 'Act'), read with applicable Accounting Standard and General Circular 39/2014 dated 14 October 2014, the disclosures relevant to the consolidated financial statements have been disclosed. Further, additional statutory information disclosed in separate financial statements of the subsidiaries having no bearing on the true and fair view of the consolidated financial statements is not disclosed in these consolidated financial statements.

3. BASIS OF PREPARATION

The consolidated financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India ('ICAI') in respect of certain derivative instruments. These consolidated financial statements have been prepared on a going concern basis and the accounting policies have been consistently applied by the Group.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

3.1 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. The Group's significant estimates pertains to useful life of fixed assets, provision for employee benefits, income-taxes and provision for doubtful assets.

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 as per the guidance set out in the Schedule II to the Act. Depreciation is charged on written down value based on estimated useful life of the asset after considering a residual value as set out in the aforementioned Schedule II to the Act referred above. The useful life of the assets are:

Asset description	Useful life
Building	30 years
Plant and machinery	15 years
Office equipments	5 years
Computers	3 years for data processing equipments and 6 years for servers
Furniture and fixtures	10 years
Vehicles	8 years for motor cars and 10 years for scooters

Leasehold improvements are 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 net of discounts and sales tax.

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.

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

f) INVENTORIES

Inventories are valued as follows:

Raw material:

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

Net realisable 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 at the time of purchase.

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 therefrom 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 recognised 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 recognises the unrealised gains and losses per the available guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the ICAI.

i) EMPLOYEE BENEFITS

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

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

Provident fund benefit is a defined contribution plan under which the Group pays fixed contributions into funds established under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The Group 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 31 March 2016

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

The Group provides for gratuity, a defined benefit plan, which defines an amount of benefit that an employee will receive on separation from the Group, 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.

Provision for compensated absences when determined to be a long term benefit is made on the basis of actuarial valuation as at the end of the year. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement profit and loss in the year in which such gains or losses arise. The compensated absences liability is determined in accordance with the rules of the Parent Company and is based on actuarial valuations made on the projected unit credit method at the balance sheet date. Gain and losses on curtailment or settlement are recognised when the curtailment or settlement occurs.

j) EMPLOYEES STOCK COMPENSATION COST

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI. The Parent Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

k) TAXATION

Tax expense comprises current tax and deferred tax.

Current tax is determined as higher of the amount of tax payable calculated at the tax rates applicable to the relevant assessment year on the assessable income of the respective year or tax payable on book profit computed in accordance with the provisions of section 115 JB of the Income-tax Act, 1961.

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 recognised 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 realised. Deferred tax asset to the extent it pertains to unabsorbed business loss/ depreciation is recognised only to the extent that there is virtual certainty of realisation based on convincing evidence, as evaluated on a case to case basis. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period.

The Parent Company has two factory units which are located in Special Economic Zone, namely, Unit I and Unit II. Unit II is fully 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.

The Parent Company's manufacturing unit located in Dehradun 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 under Section 80 IC of the Income - tax Act, 1961 till 31 March 2019.

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. Lease payments under an operating lease are recognised as an expense in the Statement of Profit and Loss on straight line method over the lease term.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd.)

m) IMPAIRMENT OF 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 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 the 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 the 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:

(i) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Group; or

(ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(iii) present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

p) SEGMENT REPORTING

The accounting policies adopted for segment reporting are in line with those of the Group with the following additional policies for segment reporting:

a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b) Expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included as unallocated expenses.

c) Assets and liabilities, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, are shown as unallocated assets and liabilities respectively.

q) 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 31 March 2016

4. Share capital

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Rs. in crores	Number of shares	Rs. in crores
Authorised share capital				
Equity shares of Rs. 10 each	22,50,00,000	225.00	20,00,00,000	200.00
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	17,91,00,000	179.10	17,91,00,000	179.10

a. There is no change in issued, subscribed and fully paid up equity share capital during the current and previous year.

b. Details of shareholders holding more than 5% of the shares of the Parent Company*

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of Rs. 10 each				
Mr. Balram Garg	6,69,51,050	37.38%	6,69,51,050	37.38%
Mr. Padam Chand Gupta	5,03,71,800	28.12%	5,03,71,800	28.12%
Idria Limited	90,75,718	5.07%	-	-
	12,63,98,568	**70.57%**	**11,73,22,850**	**65.51%**

**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, 8,93,11,000 bonus shares of Rs. 10 each had been issued by utilising the securities premium balance and accumulated profits. Other than the aforementioned bonus issue, the Parent Company has not issued any other 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 has only one class of equity shares having a par value of Rs. 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 2016, the amount of proposed final dividend recognised as distribution to equity shareholders is Rs. 3.35 per share (31 March 2015 Rs. 3.20 per share).

e) Shares reserved for issue under stock option

26,79,330 equity shares are reserved for the issue under the Employees' Stock Option Plan of the Parent Company out of which 726,300 equity shares have been granted by the Parent Company during the year. For further details, please refer note 30.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

5. Reserves and surplus

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Securities premium reserve		
Balance at the end beginning/end of the year	518.17	518.17
General reserve		
Balance at the beginning of the year	54.54	35.63
Add : Amount transferred from Consolidated Statement of Profit and loss	-	(18.91)
Balance at the end of the year	54.54	54.54
Share options outstanding account		
Addition during the year	8.01	-
Balance at the end of the year	8.01	-
Surplus in the Consolidated Statement of Profit and Loss		
Balance at the beginning of the year	1,238.76	949.34
Add : Profit for the year	399.66	378.43
Less: Depreciation adjustment	-	0.80
Less: Proposed final dividend on equity shares	60.00	57.31
Less: Dividend distribution tax	12.21	11.99
Add: Dividend distribution tax credit of earlier years	0.33	-
Less : Transfer to general reserve	-	18.91
Net surplus in the Consolidated Statement of Profit and Loss	1,566.54	1,238.76
	2,147.26	**1,811.47**

6. Borrowings

	As at 31 March 2016		As at 31 March 2015	
	Long term Rs. in crores	Short term Rs. in crores	Long term Rs. in crores	Short term Rs. in crores
Secured				
Vehicle loans	1.76	-	0.89	-
Term loans from banks	86.73	-	-	-
Loans repayable on demand from banks:				
Cash credit facilities	-	638.68	-	448.12
Packing credit facilities	-	63.19	-	40.00
Post shipment credit facilities	-	33.74	-	43.62
Demand loan	-	49.63	-	149.23
Unsecured				
Loan repayable on demand to related parties	-	0.03	-	0.03
Commercial papers	-	96.66	-	
	88.49	881.93	0.89	681.00
Less: Reclassified to current maturities	(30.26)	-	(0.48)	
	58.23	**881.93**	**0.41**	**681.00**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

6. Borrowings (contd.)

1) Term loans (including current maturities) comprises

a) Two term loans aggregating to Rs. 66 crores (previous year Rs. nil) are secured against first and exclusive registered mortgage charge on immovable properties being land and building located at Farm House No. A-1, Village Asola, New Delhi, Farm House No. D-12 & D-13 Village Asola, New Delhi belonging to a body corporate. These loans are further fully secured by personal guarantees of promoters directors and their certain relatives and corporate guarantees of said body corporate. The rate of interest shall be agreed between the Parent Company and the bank at the time of disbursement and is currently 11.25% p.a. for the disbursements already made by the bank.

The terms of repayment for a term loan amounting to Rs. 26.40 crores are as follows:

(i) 30% of the amount to be paid on the date of expiry of 3 months from the date of first disbursement.

(ii) Next 30% of the amount to be paid on the date of expiry of 6 months from the date of first disbursement.

(iii) Remaining 60% of the amount to be paid on the date of expiry of 24 months from the date of first disbursement.

The balance term loan of Rs 39.60 crores is repayable by way of 36 instalments starting from the end of 25 months from the date of first disbursement of term loan under the facility.

b) Two term loans aggregating to Rs. 21 crores(previous year Rs. nil) are secured against first and exclusive registered mortgage charge on immovable properties being land and building located at Farm House No. A-2, Village Asola, New Delhi belonging to a body corporate. These loans are further fully secured by personal guarantees of promoters directors and their certain relatives and corporate guarantees of said body corporate. The rate of interest shall be agreed between the Parent Company and the bank at the time of disbursement and is currently 11.25% p.a. for the disbursements already made by the bank.

The terms of repayment for a term loan amounting to Rs 8.40 crores are as follows:

(i) 30% of the amount to be paid on the date of expiry of 3 months from the date of first disbursement.

(ii) Next 30% of the amount to be paid on the date of expiry of 6 months from the date of first disbursement.

(iii) Remaining 60% of the amount to be paid on the date of expiry of 24 months from the date of first disbursement.

The balance term loan of Rs 12.60 crores is repayable by way of 36 instalments starting from the end of 25 months from the date of first disbursement of term loan under the facility.

2) Cash credit facilities, packing credit facilities, post shipment credit facilities and demand loans are secured against first pari passu charge on current assets, fixed assets and fixed deposits of the Parent Company. There loans are further fully secured by personal guarantees of promoters group and their certain relatives and corporate guarantees and collateral securities of other companies. Interest rate on cash credit facilities ranges from 10.55% to 12.45% p.a. Interest rate on packing credit facilities and post shipment credit facilities ranges from 9.75% to 11.40% p.a.

3) Vehicle loans are repayable in maximum 60 equal monthly instalments over the tenure of the loans and the final instalments are due for repayment in September 2020. These loans are secured by way of hypothecation of assets, thus purchased. Rate of interest on vehicle loans ranges from 10% to 12.50% p.a.

4) Commercial papers comprises two sets of commercial papers amounting to Rs. 50 crore each and due for repayment on 26 August 2016. Discount rate on both the commercial papers is 9.30% p.a.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

7. Provisions

	As at 31 March 2016		As at 31 March 2015	
	Long term Rs. in crores	Short term Rs. in crores	Long term Rs. in crores	Short term Rs. in crores
Provisions for employee benefits (Refer note (a) below)	4.34	0.63	2.87	0.18
Provision for taxation (net of prepaid taxes)	-	121.91	-	108.35
Proposed equity dividend (Rs. 3.35 per share (previous year Rs. 3.20 per share))	-	60.00	-	57.31
Provision for corporate dividend tax	-	12.21	-	11.99
Provision for wealth tax	-	-	-	0.10
	4.34	**194.75**	**2.87**	**177.93**

(a) Employee benefits

	Gratuity	
	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	3.05	1.87
Service cost	1.13	0.96
Interest cost	0.24	0.17
Benefits paid	(0.01)	*
Actuarial (gain)/loss	(0.53)	0.05
Projected benefit obligation at the end of the year	**3.88**	**3.05**
Long -term	3.55	2.87
Short-term	0.33	0.18
* rounded off to nil		
Expense recognised in the Statement of Profit and Loss		
Service cost	1.13	0.96
Interest cost	0.24	0.17
Recognised net actuarial (gain)/loss	(0.53)	0.05
Net costs	**0.84**	**1.18**
Assumptions used		
Discount rate	7.90%	7.80%
Long-term rate of compensation increase	8.00%	8.00%
Average remaining life	29.76	30.32

Note:

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

7. Provisions (contd.)

Amounts for the current and previous four years are as follows:

(Rs. in crores)

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligations	3.88	3.05	1.87	1.31	0.63
Experience adjustments on planned liabilities - gain/(loss)	0.50	0.25	0.04	(0.05)	0.02

Compensated absences

	31 March 2016
Assumptions used	
Discount rate	7.90%
Long-term rate of compensation increase	8.00%
Average remaining life	29.76

Note:

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

(b) The Group makes contribution to statutory provident fund and the employees' state insurance fund. These are in the nature of defined contribution plans. Contributions made by the Group, in the aforementioned plans, during the year amounted to Rs. 3.65 crores (previous year - Rs. 3.53 crores).

8. Other current liabilities

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Current maturities of long term borrowings	30.26	0.48
Interest accrued but not due on borrowings	3.13	2.14
Application money received on allotment of securities and due for refund*	0.02	0.02
Unclaimed dividends*	0.05	0.02
Statutory dues	2.74	4.43
Employee related payables	5.67	7.12
Deferred lease rent	17.63	15.78
Advance from customers	42.48	7.99
Creditors for capital goods	2.31	0.48
Other accruals and payables	7.97	11.20
	112.26	**49.66**

** Not due for deposit in the investor education and protection fund*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

9A. Fixed assets

(Rs. in crores)

	Tangible assets								
Gross block	**Land**	**Building**	**Leasehold improvements**	**Plant and machinery**	**Office equipments**	**Computers**	**Furniture and fixtures**	**Vehicles**	**Total**
Balance as at 1 April 2014	**7.58**	**4.36**	**57.08**	**10.81**	**22.14**	**3.25**	**4.30**	**8.14**	**117.66**
Additions	-	-	18.64	1.39	5.56	1.55	1.43	1.44	30.01
Disposals	-	-	(0.09)	-	-	-	-	(0.15)	(0.24)
Balance as at 31 March 2015	**7.58**	**4.36**	**75.63**	**12.20**	**27.70**	**4.80**	**5.73**	**9.43**	**147.43**
Additions	-	0.23	12.94	0.24	4.57	1.37	1.75	2.35	23.45
Disposals	-	-	-	-	-	(0.06)	-	(0.75)	(0.81)
Other adjustments (refer note 3 below)	-	-	0.34	(4.34)	4.00	-	-	-	-
Balance as at 31 March 2016	**7.58**	**4.59**	**88.91**	**8.10**	**36.27**	**6.11**	**7.48**	**11.03**	**170.07**
Accumulated depreciation and amortisation									
Balance as at 1 April 2014	**-**	**1.18**	**15.05**	**3.16**	**6.31**	**1.93**	**1.19**	**4.90**	**33.72**
Charge for the year	-	0.30	7.14	1.62	10.37	1.22	1.02	1.35	23.02
Reversal on disposal/adjustments of	-	-	-	-	-	-	-	(0.13)	(0.13)
Other adjustments (refer note 2 below)	-	-	-	0.07	1.09	0.03	-	0.01	1.20
Balance as at 31 March 2015	**-**	**1.48**	**22.19**	**4.85**	**17.77**	**3.18**	**2.21**	**6.13**	**57.81**
Charge for the year	-	0.29	10.73	1.04	6.94	1.19	1.11	1.34	22.64
Reversal on disposal/adjustments of	-	-	-	-	-	(0.03)	*	(0.46)	(0.49)
Other adjustments (refer note 3 below)	-	-	0.10	(1.79)	1.69	-	-	-	-
Balance as at 31 March 2016	**-**	**1.77**	**33.02**	**4.10**	**26.40**	**4.34**	**3.32**	**7.01**	**79.96**
Net block									
Balance as at 31 March 2015	7.58	2.88	53.44	7.35	9.93	1.62	3.52	3.30	89.62
Balance as at 31 March 2016	7.58	2.82	55.89	4.00	9.87	1.77	4.16	4.02	90.11

* rounded off to nil

1. Effective from 1 April 2014, the Group has revised the estimates of computing the depreciation and amortisation based on the revised useful life of the assets as per the requirements of schedule II of the Act. Consequently, the depreciation and amortisation charge for the year ended 31 March 2015 is higher by Rs. 9.18 crores and fixed assets and profit for the previous year is lower by a corresponding amount.
2. Further, based on the transitional provisions provided in Schedule II of the Act, an amount of Rs. 0.80 crores (net of deferred tax) has been adjusted with the opening reserves as at 1 April 2014.
3. Adjustments represents re-classification of assets from one head to another head basis reassessment performed by the management.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

9B. Intangible assets

(Rs. in crores)

	Computer Software	Trade Mark	Total
Gross block			
Additions during the year	0.02	1.08	1.10
Balance as at 31 March 2016	**0.02**	**1.08**	**1.10**
Accumulated depreciation and amortisation			
Depreciation charge/amortisation	*	0.02	0.02
Balance as at 31 March 2016	*	**0.02**	**0.02**
Balance as at 31 March 2016	**0.02**	**1.06**	**1.08**

* rounded off to nil

10. Deferred tax assets

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Deferred tax assets arising on account of		
Timing difference on depreciation/amortisation of tangible assets	9.30	6.11
Provision for employee benefits	1.33	1.04
Deferred lease rent	6.12	5.37
Others	0.58	-
	17.33	12.52

11. Loans and advances

	As at 31 March 2016		As at 31 March 2015	
	Long term Rs. in crores	Short term Rs. in crores	Long term Rs. in crores	Short term Rs. in crores
(Unsecured, considered good)				
Capital advances	0.81	-	21.64	-
Security deposits	50.26	-	39.71	-
Loan to body corporate*	8.54	-	8.54	-
Other loans and advances:				
Prepaid expenses	-	1.24	-	5.66
Balances with government authorities	2.43	0.55	2.50	0.55
Advances to suppliers	-	361.88	-	219.96
Minimum alternate tax credit entitlement	0.21	-	0.04	-
Others	1.44	4.61	1.32	2.59
	63.69	**368.28**	**73.75**	**228.76**

** Loan has been given to Shivani Sarees Private Limited for business purposes.*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

12. Other non current assets

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Non-current bank balances (Refer note 16)	4.88	3.16
Interest accrued on fixed deposits with banks	0.19	0.12
	5.07	3.28

13. Current investments

Trade investments		
Investments in mutual funds (quoted)		
Bank of India AXA Capital Protection Oriented Fund Series-5 (current year 6,00,000 units of Rs. 9.95 each, previous year nil)	0.60	-
Kotak Capital Protection Oriented Scheme Series-1 Growth Regular Plan (current year 1,00,000 units of Rs. 10.06 each, previous year nil)	0.10	-
Canara Robeco Capital Protection Oriented Fund-Series 2 (Plan A) - Regular Growth (current year 5,00,000 units of Rs. 10 each, previous year 5,00,000 units of Rs. 10 each)	0.50	0.50
Bank of India AXA Capital Protection Oriented Fund - Series 1 Regular Plan Growth (current year 4,99,990 units of Rs. 10 each, previous year 4,99,990 units of Rs. 10 each)	0.50	0.50
ICICI Prudential Capital Protection Oriented Fund Series IV Plan G - 60 months (current year 1,20,000 units of Rs. 10 each, previous year 1,20,000 units of Rs. 10 each)	0.12	0.12
SBI Equity Opportunities Fund Series 1- Regular plan - growth (current year 20,00,000 units of Rs. 10 each, previous year 20,00,000 units of Rs. 10 each)	2.00	2.00
SBI Equity Opportunities Fund Series 2- Regular plan - growth (current year 5,00,000 units of Rs. 9.76 each, previous year 5,00,000 units of Rs. 10 each)	0.48	0.50
Canara Robeco Capital Protection Oriented Fund-Series 3 Regular Growth (current year 1,49,99,400 units of Rs. 10 each, previous year 1,49,99,400 units of Rs. 10 each)	1.50	1.50
Canara Robeco Capital Protection Oriented Fund-Series 5 Regular Growth (current year 11,29,700 units of Rs. 10 each, previous year 11,29,700 units of Rs. 10 each)	1.13	1.13
HDFC CPO III - 1173D January 2015 - Regular Growth (current year 2,00,000 units of Rs. 10 each, previous year 2,00,000 units of Rs. 10 each)	0.20	0.20
ICICI Prudential Capital Protection Oriented Fund Series VI 1100 Days Plan D (current year 1,50,000 units of Rs. 10 each, previous year 1,50,000 units of Rs. 10 each)	0.15	0.15
SBI Dual Advantage Fund Series III - Regular Growth (current year 1,00,000 units of Rs. 10 each, previous year 1,00,000 units of Rs. 10 each)	0.10	0.10
Bank of India AXA Equity Debt Rebalancer Fund Regular Plan Growth (current year nil, previous year 9,17,952.58 units of Rs. 10.89 each and 8,84,883.24 units of Rs. 11.30 each)	-	2.00
SBI Banking and Finance Services Fund - Regular plan- growth (current year nil, previous year 20,00,000 units of Rs. 9.57 each)	-	1.91
SBI Magnum Balanced Fund-Regular plan- growth (current year nil, previous year 3,04,913.37 units of Rs. 65.59 each)	-	2.00
HDFC Equity Fund Growth (current year nil, previous year 486.56 units of Rs. 1,991.73 each)	-	0.01
SBI Magnum Global Fund Regular Plan Growth (current year nil, previous year 37,110.49 units of Rs. 134.73 each)	-	0.50
	7.38	**13.12**
Market value of quoted investments	8.10	15.07

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

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

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Raw materials	733.28	497.49
Work-in-progress	976.13	740.42
Finished goods - own manufactured	2,162.78	1,991.94
	3,872.19	**3,229.85**

15. Trade receivables (Unsecured, considered good)

Outstanding for a period exceeding six months from the due date	70.65	0.68
Others	905.35	779.74
	976.00	**780.42**

16. Cash and bank balances

Cash and cash equivalents		
Balances with banks in current accounts	95.06	56.64
Deposits with original maturity less than 3 months*	-	21.00
Cheques in hand	0.06	0.22
Cash in hand	4.40	14.35
	99.52	92.21
Other bank balances		
Unclaimed dividend account**	0.05	-
Deposits with maturity more than 3 months but less than 12 months*	237.19	191.79
Deposits with more than 12 months maturity*	4.88	3.16
	341.64	287.16
Less : Amounts disclosed as other non-current assets (refer note 12)	(4.88)	(3.16)
	336.76	**284.00**

** Amount held as margin money with the banks*
*** Not due for deposit in the investor education and protection fund*

17. Other current assets

Interest accrued on		
- fixed deposits	4.97	5.13
- loans to a body corporate	0.47	0.45
Foreign currency receivables, net	19.01	3.07
	24.45	**8.65**

18. Contingent liabilities and commitments (to the extent not provided for)

Claims against the Company not acknowledged as debt		
Legal case *	0.55	0.55
Income-tax matters	1.01	0.59
Corporate guarantee for loan taken by wholly owned subsidiary company, PC Universal Private Limited**	-	14.00
Estimated amount of contracts remaining to be executed on capital account and not provided for	1.32	1.52

** excluding interest which is not ascertainable*
*** Guarantees provided to the lender of wholly owned subsidiary company were for availing banking faciliteis for business purpose.*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

19. Revenue from operations

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Sale of products		
Export	2,162.74	1,822.58
Domestic	5,167.42	4,538.70
Sale of services	0.02	-
	7,330.18	**6,361.28**

20. Other income

Interest income on:		
fixed deposits with banks	17.52	20.44
loan to a body corporate	0.85	0.85
Others	-	0.05
Net gain on foreign currency transactions and translations	27.67	23.41
Profit on sale of investments	1.31	13.45
Profit on disposal of fixed assets	-	0.01
Other non-operating income	1.35	1.00
	48.70	**59.21**

21. Cost of materials consumed

Raw material		
Opening stock	497.49	670.78
Add : purchases during the year	6,950.53	6,244.34
Less : closing stock	733.28	497.49
	6,714.74	**6,417.63**

22. Changes in inventories of finished goods and work-in-progress

Closing stock		
- Finished goods - own manufactured	2,162.78	1,991.94
- Work-in-progress	976.13	740.42
	3,138.91	2,732.36
Opening stock		
- Finished goods - own manufactured	1,991.94	954.93
- Work-in-progress	740.42	751.42
	2,732.36	1,706.35
	406.55	**1,026.01**

23. Purchase of traded goods

Silver made ups and others	4.16	2.96
	4.16	**2.96**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

24. Employee benefits expense

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Salaries, wages and bonus	56.55	49.14
Contribution to provident and other defined contribution funds	3.65	3.53
Expense on employee stock option scheme	8.02	-
Staff welfare expenses	3.90	3.06
	72.12	**55.73**

25. Finance costs

Interest on:		
loan	168.88	191.00
late deposit of advance tax	11.27	8.83
Processing fees and commission	34.80	20.06
	214.95	**219.89**

26. Other expenses

Advertisement	29.61	46.41
Labour charges	48.84	37.14
Hallmarking charges	0.61	0.54
Packing expenses	3.12	2.24
Rent	43.68	39.00
Business promotion	41.05	13.08
Communication	4.65	4.13
Repairs and maintenance		
- office	3.03	1.35
- others	-	0.68
Discount and commission*	2.50	6.23
Electricity and water	7.63	6.36
Vehicle running and maintenance	1.06	1.02
Insurance	3.74	2.65
Legal and professional	5.74	4.54
Rates and taxes	1.64	0.19
Printing and stationery	1.27	1.42
Security expenses	7.87	6.19
Travelling and conveyance	4.05	3.63
Intangible assets under development written off	-	1.10
Bad debts written off	-	0.12
Loss on sale of fixed assets	0.03	-
Bank charges	6.12	7.00
Donation	2.13	2.33
Expenditure on corporate social responsibility activities	1.75	-
Miscellaneous	0.17	0.40
	220.29	**187.75**

** interalia, includes Rs. 0.93 crores (previous year Rs. nil) provided against an incentive scheme for sale of jewellery.*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

27. Earning per share

	As at 31 March 2016	As at 31 March 2015
a) Computation of profit per Consolidated Statement of Profit and Loss attributable to equity shareholders		
Net profit attributable to equity shareholders (Rs. in crores)	399.66	378.43
b) Computation of weighted average number of shares (in nos.) for *		
Basic earnings per share	179,100,000	179,100,000
Diluted earnings per share	179,417,881	179,100,000
c) Nominal value of shares (Rs.)	10	10
d) Earnings per share		
- Basic (Rs.)	22.32	21.13
- Diluted (Rs.)	22.28	21.13
*** Reconciliation of weighted average number of shares**		
Weighted average number of shares (in nos.) for basic earnings per share	179,100,000	179,100,000
Add: Employee stock options outstanding	317,881	-
Weighted average number of shares (in nos.) for diluted earnings per share	179,417,881	179,100,000

28. Segment reporting

The Group is engaged in the business of manufacture and sale of gold jewellery, diamond studded jewellery and silver articles of various designs/ specifications. The Group's manufacturing facilities are located in India. The risks and returns of the Group 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

28. Segment reporting (contd.)

(a) Information about Business Segment - Primary for the year ended 31 March 2016

(Rs. in crores)

Particulars	Export		Domestic		Total before Eliminations		Eliminations		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Revenue										
Sale of goods	2,162.24	1,822.58	5,177.67	4,538.70	7,339.91	6,361.28	9.73	-	7,330.18	6,361.28
Total revenue	**2,162.24**	**1,822.58**	**5,177.67**	**4,538.70**	**7,339.91**	**6,361.28**	**9.73**	**-**	**7,330.18**	**6,361.28**
Results										
Segment result	105.34	104.63	449.59	450.68	554.93	555.31	-	-	554.93	555.31
Unallocated expenses					(18.42)	(15.79)	-	-	(18.42)	(15.79)
Profit before tax	**105.34**	**104.63**	**449.59**	**450.68**	**536.51**	**539.52**	**-**	**-**	**536.51**	**539.52**
Less: Tax expense					136.85	161.09	-	-	136.85	161.09
Profit after tax	**105.34**	**104.63**	**449.59**	**450.68**	**399.66**	**378.43**	**-**	**-**	**399.66**	**378.43**
Assets										
Segment assets	1,518.37	1,410.58	4,213.47	3,268.37	5,731.84	4,678.95	2.28	-	5,729.56	4,678.95
Unallocated assets					140.69	55.48	107.91	10.46	32.78	45.02
Total assets	**1,518.37**	**1,410.58**	**4,213.47**	**3,268.37**	**5,872.53**	**4,734.43**	**110.19**	**10.46**	**5,762.34**	**4,723.97**
Liabilities										
Segment liabilities	1,413.39	1,032.70	1,933.76	1,530.36	3,347.15	2,563.06	110.12	10.41	3,237.03	2,552.65
Unallocated liabilities					198.95	180.75	-	-	198.95	180.75
Total liabilities	**1,413.39**	**1,032.70**	**1,933.76**	**1,530.36**	**3,546.10**	**2,743.81**	**110.12**	**10.41**	**3,435.98**	**2,733.40**
Capital expenditure	0.25	0.06	24.30	29.95	24.55	30.01	-	-	24.55	30.01
Total capital expenditure	**0.25**	**0.06**	**24.30**	**29.95**	**24.55**	**30.01**	**-**	**-**	**24.55**	**30.01**
Depreciation and amortisation	0.73	1.17	21.93	21.85	22.66	23.02	-	-	22.66	23.02
Total depreciation	**0.73**	**1.17**	**21.93**	**21.85**	**22.66**	**23.02**	**-**	**-**	**22.66**	**23.02**
Non cash expenditures other than depreciation (net)										
Unrealised foreign exchange loss/ (gain)	**(7.17)**	**8.36**	**(13.02)**	**(2.51)**	**(20.19)**	**5.85**	**-**	**-**	**(20.19)**	**5.85**

Note:

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 31 March 2016

29. Related party transactions

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

(i) Names of related parties where control exists

Mr. Balram Garg and Mr. Padam Chand Gupta

(ii) Key management personnel

Mr. Padam Chand Gupta : Chairman of the Parent Company and Director of PC Universal Private Limited, Transforming Retail Private Limited and Luxury Products Trendsetter Private Limited

Mr. Balram Garg : Managing Director of the Parent Company and Director of PC Universal Private Limited and Transforming Retail Private Limited

(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. Krishna Devi : Wife of Mr. Padam Chand Gupta
Ms. Pooja Garg : Wife of Mr. Balram Garg

(iv) Other entities in which key management personnel has significant influence *

Onyx Townships Private Limited (till 10 June 2014)
Padam Chand, Hindu Undivided Family
Balram Garg, Hindu Undivided Family

*** where transactions have occurred during the year.*

(v) Transactions with related parties during the year

(Rs. in crores)

Particulars	Key management personnel		Relatives of key management personnel		Other parties		Total	
	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2016	Year ended 31 March 2015
Rent paid	**0.34**	**0.34**	**0.08**	**0.08**	**-**	**0.08**	**0.42**	**0.50**
Mr. Padam Chand Gupta	0.32	0.32	-	-	-	-	0.32	0.32
Mr. Nitin Gupta	-	-	0.04	0.04	-	-	0.04	0.04
Mr. Sachin Gupta	-	-	0.04	0.04	-	-	0.04	0.04
Onyx Townships Private Limited	-	-	-	-	-	0.08	-	0.08
Remuneration paid	**6.03**	**6.02**	**0.39**	**1.19**	**-**	**-**	**6.42**	**7.21**
Mr. Balram Garg	6.00	6.00	-	-	-	-	6.00	6.00
Mr. Nitin Gupta	-	-	0.39	0.62	-	-	0.39	0.62
Mr. Sachin Gupta	-	-	-	0.53	-	-	-	0.53
Final dividend paid	**37.54**	**17.60**	**2.13**	**1.00**	**0.35**	**0.17**	**40.02**	**18.77**
Mr. Balram Garg	21.42	10.04	-	-	-	-	21.42	10.04
Mr. Padam Chand Gupta	16.12	7.56	-	-	-	-	16.12	7.56
Smt. Krishna Devi	-	-	1.71	0.80	-	-	1.71	0.80
Mr. Sachin Gupta	-	-	0.32	0.15	-	-	0.32	0.15
Padam Chand, Hindu Undivided Family	-	-	-	-	0.35	0.16	0.35	0.16

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

29. Related party transactions (contd.)

(vi) Year end balances of related parties

(Rs. in crores)

Particulars	Key management personnel		Relatives of key management personnel		Other parties		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Other current liabilities-Remuneration	**0.50**	**0.50**	**0.03**	**0.03**	**-**	**-**	**0.53**	**0.53**
Mr. Balram Garg	0.50	0.50	-	-	-	-	0.50	0.50
Mr. Nitin Gupta	-	-	0.03	0.03	-	-	0.03	0.03

Note:

All related party transactions, the amount of which is in excess of 10% of total related party transactions of the same type has been disclosed separately, in accordance with Accounting Standard 18 - Related Party Disclosures, notified under the Act.

30. Employees' Stock Option Plan:

PC Jeweller Limited Employee Stock Option Plan 2011

i) During the year ended 31 March 2012, the Parent Company had formulated Employee Stock Option Scheme referred to as PC Jeweller Limited Employees' Stock Option Plan 2011 (the 'Plan') for all eligible employees/directors of the Parent Company except an employee who is a promoter or belongs to the promoter group or a director who either by himself or through his relatives or through and body corporate, directly or indirectly, holds more than 10% of outstanding equity shares of the Parent Company.

The plan is to be implemented by the Compensation Committee under the policy and framework laid down by the Parent Company and/or Board of Directors of the Parent Company, in accordance with the authority delegated to the Compensation Committee in this regard from time to time and subject to the amendments, modifications and alterations to the plan made by the Parent Company and/or Board of Directors in this connection. The issuance of the shares will be under the guidance, advice and directions of the Compensation Committee constituted under this Plan.

ii) The Parent Company has granted stock options on 14 May 2015, details of which are as follows:

Options granted	726,300			
Date of grant	14 May 2015			
Requirements of vesting, period of vesting and maximum period within which options shall be vested	The vesting schedule is set forth as follows			
	Vesting	Number of months from the date of grant of options	Percentage of options vested	Cumulative percentage of options vested
	1	12	10	10
	2	24	20	30
	3	36	30	60
	4	48	40	100
Exercise price	Rs. 10			
Exercise period	8 years			
Accounting method used by the Parent Company to value its option	Intrinsic value method			
Method of settlement	Equity			
Vesting conditions	Employee should be in service at vesting and exercise date			

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

30. Employees' Stock Option Plan (contd.)

iii) The details of activity under the plan has been summarised below

Particulars	Number of options	Weighted average exercise price (Rs.)	Weighted average remaining contractual life of options (in years)
Granted during the year	726,300	10	
Outstanding at the end of the year	726,300	10	7.12
Exercisable at the end of the year	-	-	

iv) The fair value of the options granted was estimated on the date of grant using the Black-Scholes valuation model with the following assumptions:

Particulars	
Weighted average share price/Fair value of shares	Rs. 318.22
Exercise price	Rs. 10
Weighted historical volatility	52.61%
Time to maturity-years	8
Dividend yield	0.71%
Risk free rate - Annual	from 7.97% to 8.04%

v) Impact of the employee share-based payment plan on the Consolidated Statement of Profit and Loss and on its financial position

Particulars	Rs. in crores
Total employee compensation cost pertaining to share based payment plans	8.02
Compensation cost pertaining to equity-settled employee share-based payment plan included above	8.02
Total liability for employee stock option outstanding at year end	8.02
Intrinsic value of liability at year end for which right to cash/other assets have vested (eg. vested stock appreciation rights)	Nil

vi) In March 2005, the ICAI issued a guidance note on 'Accounting for Employees Share Based Payments' applicable to employee based share plan, the grant date in respect of which falls on or after 1 April 2005. The said guidance note requires the proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. As the Parent Company has used the intrinsic value method and the management has obtained fair value of the options at the date of grant from an independent valuer, using the 'Black Scholes Valuation Model' at Rs. 318.22 per option vis a vis the intrinsic value of Rs. 318.50 per option, hence there is no significant impact on the reported profits and earnings per share.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

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

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

(i) The following are the outstanding forward contracts/derivative contracts in respect of foreign currency loans/ export sales:

	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Forward contract buy		
Number of contracts	8	3
Amount in United States Dollar ('USD')- in crores	1.25	0.95
Forward contract sell		
Number of contracts	58	42
Amount in United States Dollar ('USD')- in crores	12.65	16.49

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

Included in trade payables		
Amount in United States Dollar ('USD')- in crores	30.02	24.87
Amount in Rs. in crores	2,011.16	1,561.55
Currency rate	66.35/67.45	62.59/65.00
Included in trade receivables		
Amount in United States Dollar ('USD')- in crores	1.76	0.21
Amount in Rs. in crores	116.84	12.90
Currency rate	66.40	62.59

32. Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for the year is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
Principal	-	-
Interest	-	-
ii) The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The total dues of micro, small and medium enterprises which were outstanding for more than stipulated period are Rs. nil (Previous year Rs. nil) as on balance sheet date.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

33. (i) Disclosures in respect of non-cancellable operating leases

Particulars	As at 31 March 2016 Rs. in crores	As at 31 March 2015 Rs. in crores
Payable not later than one year	37.78	33.85
Payable later than one year not later than five years	139.13	139.09
Payable later than five years	46.73	59.87
	223.64	**232.81**

(ii) Lease payments under operating lease are disclosed as 'Rent' in the Consolidated Statement of Profit and Loss.

34. In accordance with the provisions of section 135 of the Act, the Board of Directors of the Parent Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Parent Company was obligated to spend a sum of Rs. 9.48 crores towards CSR activities during the year ended 31 March 2016. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives and expects finalisation of such proposals in due course. During the year ended 31 March 2016, the Parent Company has contributed the following sums towards CSR initiatives.

(Rs. in crores)

Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1.75	-	1.75

35. Excise duty has become applicable on certain jewellery manufactured and sold by the Parent Company from the midnight of 29 February 2016. The Parent Company has not recovered any excise duty from its customers on sales being made till 31 March 2016. However, it has recorded provision in respect of its excise duty liability, amounting to Rs. 0.29 crores, on aforesaid sales.

36. Subsequent to the year end, the Parent Company has allotted 42,69,984 compulsorily convertible debentures of face value Rs. 1,000 each by way of a preferential allotment on private placement basis.

37. Additional information to Consolidated Financial Statements as at 31 March 2016 (Pursuant to Schedule III of the Act):

(Rs. in crores)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (Loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss
Parent Company				
PC Jeweller Limited	2,327.33	100.04%	389.36	97.42%
Subsidiaries				
PC Universal Private Limited	1.14	0.05%	2.64	0.66%
Transforming retail Private Limited	(1.54)	(0.07%)	8.20	2.05%
Luxury Products Trendsetter Private Limited	(0.57)	(0.02%)	(0.54)	(0.13%)
Total	**2,326.36**	**100.00%**	**399.66**	**100.00%**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

38. Reclassifications

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

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
Vijay Panwar	**Sanjeev Bhatia**	**Padam Chand Gupta**	**Balram Garg**
Company Secretary	Chief Financial Officer	Chairman	Managing Director
Membership No. A19063		DIN-00032794	DIN-00032083

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

for **Sharad Jain Associates**
Chartered Accountants

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

Place : New Delhi
Date : 30 May 2016

Sd/-
per **Sharad Jain**
Partner

Sd/-
per **Anupam Kumar**
Partner

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

Part "A": Subsidiaries

(Rs. in lakhs)

Sl. No.	Particulars / Name of the subsidiary	PC Universal Private Limited	Transforming Retail Private Limited	Luxury Products Trendsetter Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2015 to March 31, 2016	April 1, 2015 to March 31, 2016	December 11, 2015 to March 31, 2016*
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
3	Share capital	5.00	1.00	1.00
4	Reserves & surplus	109.43	-155.35	-57.70
5	Total assets	12133.56	134.46	161.17
6	Total Liabilities	12019.13	288.81	217.87
7	Investments	0.00	0.00	0.00
8	Turnover	6980.13	1105.13	0.00
9	Profit before taxation	91.19	-224.29	-82.67
10	Provision for taxation	0.58	-69.25	-24.97
11	Profit after taxation	90.61	-155.04	-57.70
12	Proposed Dividend	0.00	0.00	0.00
13	% of shareholding	100.00	100.00	100.00

* The Company was incorporated on December 11, 2015.

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates & Joint Ventures

1. Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: N.A.
2. Names of associates or joint ventures which are yet to commence operations: N.A.
3. Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
Vijay Panwar	**Sanjeev Bhatia**	**Balram Garg**	**Padam Chand Gupta**
Company Secretary	Chief Financial Officer	Managing Director	Chairman
Membership No.A19063		DIN: 00032083	DIN: 00032794

NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of PC Jeweller Limited will be held on Monday, the 19th day of September, 2016, at 3:30 P.M., at Air Force Auditorium, Subroto Park, New Delhi – 110010, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Statutory Auditors thereon; (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2016 and the report of Statutory Auditors thereon.

2. To declare dividend for the financial year 2015-16.

3. To appoint a director in place of Shri Padam Chand Gupta (DIN: 00032794), who retires by rotation and being eligible, offers himself for re-appointment.

4. To ratify the appointment of Statutory Auditors and fix their remuneration and to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory amendments thereto or re-enactments thereof for the time being in force), the appointment of 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) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 12th Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors plus service tax and reimbursement of out-of-pocket expenses, be and is hereby ratified."

SPECIAL BUSINESS:

5. **RE-APPOINTMENT OF SHRI RAMESH KUMAR SHARMA AS A WHOLE-TIME DIRECTOR**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory amendments thereto or re-enactments thereof for the time being in force) (the "**Act**") Shri Ramesh Kumar Sharma (DIN: 01980542), whose term of office as Whole-time Director will expire on February 6, 2017, be and is hereby re-appointed as a Whole-time Director of the Company, designated as Executive Director & Chief Operating Officer, for a term of 5 (five) years with effect from February 7, 2017, on the terms and conditions as specified here under:

   1) Term of re-appointment: 5 years i.e. up to February 6, 2022.

   2) Salary: Rs.3,00,000/- per month w.e.f. February 7, 2017 and upto maximum salary of Rs.5,00,000/- per month.

   RESOLVED FURTHER THAT in addition to salary Shri Ramesh Kumar Sharma shall also be entitled to the following:

   a) Gratuity and Bonus/Ex-gratia, as per the rules of the Company and subject to the applicable laws.

   b) Other allowances, benefits and facilities, as per the rules of the Company in force and / or as may be approved by the Board of Directors from time to time and subject to the applicable laws.

   c) Up to 3,00,000 stock options (including 88,000 stock options already granted during 2015-16).

   d) Company maintained car with driver for official use.

   e) Provision for telephone/fax/internet at residence for official use.

   f) Reimbursement of all expenses incurred in connection with the business of the Company.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorized to vary or modify the above terms including remuneration, from time to time, during the term of appointment of Shri Ramesh Kumar Sharma, without any further reference to the Company in General Meeting, provided however that such variation is within the limits fixed aforesaid.

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during his term of appointment, the Company shall pay to Shri Ramesh Kumar Sharma, in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

   RESOLVED FURTHER THAT no sitting fee shall be paid to Shri Ramesh Kumar Sharma for attending meetings of the Board of Directors or any Committees thereof.

   RESOLVED FURTHER THAT Shri Ramesh Kumar Sharma shall be liable to retire by rotation.

   RESOLVED FURTHER THAT Shri Balram Garg (DIN: 00032083), Managing Director and Shri Vijay Panwar, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be necessary, proper or desirable for giving effect to the aforesaid resolution."

6. **RE-APPOINTMENT OF SHRI NITIN GUPTA (RELATIVE OF DIRECTOR) AS PRESIDENT (MANUFACTURING)**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory amendments thereto or re-enactments thereof for the time being in force) (the "**Act**") Shri Nitin Gupta (relative of Director) be and is hereby re-appointed as President (Manufacturing) [or any other designation and roles which the Board of Directors (hereinafter referred to as the "**Board**") may decide from time to time] of the Company for a term of 5 (five) years with effect from July 1, 2016, on the terms and conditions as specified here under:

   1) Term of re-appointment: 5 years i.e. up to June 30, 2021.

   2) Salary: Rs. 3,25,000/- per month w.e.f. July 1, 2016 and upto maximum salary of Rs. 5,00,000/- per month.

   RESOLVED FURTHER THAT in addition to salary Shri Nitin Gupta shall also be entitled to the following:

   a) Gratuity and Bonus/Ex-gratia, as per the rules of the Company and subject to the applicable laws.

   b) Other allowances, benefits and facilities, if any, as per the rules of the Company in force and / or as may be approved by the Board from time to time and subject to the applicable laws.

   c) Company maintained car with driver for official use.

   d) Reimbursement of all expenses incurred in connection with the business of the Company.

   RESOLVED FURTHER THAT the Board be and is hereby also authorized to vary or modify the above terms including salary, from time to time, during the term of appointment of Shri Nitin Gupta, without any further reference to the Company in General Meeting, provided however that such variation is within the limits fixed aforesaid.

   RESOLVED FURTHER THAT Shri Ramesh Kumar Sharma (DIN: 01980542), Executive Director & Chief Operating Officer and Shri Vijay Panwar, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be necessary, proper or desirable for giving effect to the aforesaid resolution."

By order of the Board of Directors
For **PC Jeweller Limited**
Sd/-
(VIJAY PANWAR)
Company Secretary

Place: New Delhi
Date: August 18, 2016

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business to be transacted at the Annual General Meeting ("**AGM**"), as set out in this Notice is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.** A Proxy can act on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for any other person or Member.

3. The relevant details as required under Regulation 36 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, of persons seeking appointment/re-appointment as Directors under Item Nos. 3 and 5 of this Notice, are also annexed.

4. The AGM Notice and Annual Report are being sent by e-mail to those Members who have registered their e-mail IDs with their Depository (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agent – Karvy Computershare Private Limited ("**Karvy**") (in case of physical shareholding) for receipt of documents in electronic mode. The physical copies of AGM Notice and Annual Report are being sent by permitted mode to those Members whose e-mail IDs are not registered.

5. The AGM Notice and Annual Report are being sent to all Members, whose names appear in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited ("**NSDL**")/Central Depository Services (India) Limited ("**CDSL**"), as on Friday, August 12, 2016. The AGM Notice and Annual Report are also available on the Company's website i.e. **www.pcjeweller.com** in the Investor section as well as on the Karvy's website i.e. **https://evoting.karvy.com**.

6. Only those Members, whose names appear in the Register of Members / List of beneficial owners as on **Monday, September 12, 2016 ("Cut-off Date")**, shall be entitled to vote (through remote e-voting / physical ballot paper) on the resolutions set forth in this Notice and their voting rights shall be in proportion to their shares in the paid up equity share capital of the Company as on the Cut-off Date. A person who is not a Member as on the Cut-off Date should treat this Notice for information only.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from September 13, 2016 to September 19, 2016 (both days inclusive) for the purpose of

AGM and for determining the names of the Members eligible for dividend, if declared at the AGM.

8. The dividend, as recommended by the Board of Directors of the Company (Rs. 3.35/- per equity share for the financial year 2015-16), if declared at the AGM, will be paid on or before the 30th day from the date of declaration to those Members, whose names appear on the Company's Register of Members as on September 12, 2016. In respect of shares held in dematerialized form, the dividend thereon will be paid to the beneficial owners, as per the list to be furnished by NSDL and CDSL as on that date.

9. The Investors/ Members of the Company, who have not yet claimed their IPO refund / dividend for previous years, are requested to contact the Company or Karvy for claiming the same.

10. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on September 19, 2015 (i.e. date of last AGM) on the website of the Company and also with the Ministry of Corporate Affairs. Dividend remaining unclaimed / unpaid for a period of 7 years from the date of transfer to Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund.

11. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote by electronic means and the business may be transacted through remote e-voting facility (i.e. facility of casting votes by using an electronic voting system from a place other than the venue of AGM). The Company has engaged the services of Karvy as the Agency to provide remote e-voting facility. **E-voting is optional**.

12. The Company shall also provide facility for voting through physical ballot paper at the AGM and Members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the AGM.

13. Members can opt for only one mode of voting i.e. either by physical ballot paper or remote e-voting. However, if Members cast their vote through both mode of voting, then the voting through remote e-voting shall prevail.

14. The remote e-voting facility shall be available during the following period:

Commencement of remote e-voting : From 9:00 A.M. on Friday, September 16, 2016
End of remote e-voting : Up to 5:00 P.M. on Sunday, September18, 2016

The remote e-voting shall not be allowed beyond the aforesaid time and date and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.

15. The e-Voting Event Number, User ID and Password for remote e-voting are being sent by e-mail, to those Members who have registered their e-mail IDs and along with physical copy of the AGM Notice to those Members, who have not registered their e-mail IDs.

16. Any person, who acquires shares and become Member of the Company after the despatch of the AGM Notice and holds shares as on the Cut-off Date i.e. September 12, 2016, may obtain the login ID and Password in the manner mentioned below:

(a) If the mobile number of the Member is registered against Folio No./DP ID-Client ID, the Member may send SMS: MYEPWD <space> e-voting Event Number + Folio No. or DP ID Client ID to 9212993399

Example for
NSDL: MYEPWD <SPACE>IN12345612345678

Example for
CDSL: MYEPWD <SPACE>1402345612345678

Example for Physical:
MYEPWD <SPACE>e-voting Event Number + Folio No.

(b) If e-mail address or mobile number of the Member is registered against Folio No./DP ID-Client ID, then on the home page of https://evoting.karvy.com, the Member may click "Forgot Password" and enter Folio No. or DP ID-Client ID and PAN to generate a Password.

(c) Member may call Karvy's toll free number 1800-345-4001.

(d) Member may send an e-mail request to evoting@karvy.com.

If a Member is already registered with Karvy for remote e-voting then he can use his existing user ID and Password/ PIN for casting vote through remote e-voting.

17. The Members, who have cast their votes by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

18. The Board of Directors has appointed Shri Randhir Singh Sharma, Practicing Company Secretary (C.P.No.: 3872), as the Scrutinizer to scrutinize the remote e-voting and physical voting process at the AGM in a fair and transparent manner.

19. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman of the Company or in his absence to any other Director authorized by the Board, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman or in his absence by the Company Secretary within 48 hours from the conclusion of the AGM at the Registered Office of the Company.

20. The Result declared along with the Scrutinizer's Report will be displayed on the notice board of the Company at its Registered Office and shall also be placed on the Company's website www.pcjeweller.com and also on Karvy's website https://evoting.karvy.com. The Result shall also be forwarded to the Stock Exchanges, where the Company's shares are listed.

21. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM i.e. September 19, 2016.

22. Members are requested to carefully read the 'Procedures and Instructions for Remote e-Voting' mentioned hereunder:

PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING:

A. For Members receiving AGM Notice by e-mail:

i) Launch internet browser by typing https://evoting.karvy.com.

ii) Enter the login credentials (i.e. User ID & Password) mentioned in your e-mail. Your Folio No. / DP ID-Client ID (for NSDL) / 16 digits Beneficiary ID for CDSL will be your Used ID.

iii) Under Captcha, please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

iv) After entering these details appropriately, click "LOGIN".

v) You will now reach Password Change Menu, wherein you are required to mandatorily change your Password. The new Password shall comprise of minimum eight characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *,#,@ etc.). The system will prompt you to change your Password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter the secret question and answer of your choice to retrieve your Password in case you forget it. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.

vi) You need to login again with the new credentials.

vii) If you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.

viii) On successful login, system will prompt you to select the 'EVENT' i.e. '**PC Jeweller Limited**'.

ix) On the voting page, you will see resolution description and against the same the option 'FOR/AGAINST/ ABSTAIN' for voting. Enter the number of shares as on the cut-off date i.e. September 12, 2016 (which represents number of votes) under 'FOR/AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member does not indicate either 'FOR' or 'AGAINST', it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.

x) Cast your vote by selecting an appropriate option and click 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else click 'CANCEL' to change your vote.

xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xii) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

xiii) Corporates / Institutional Members (i.e. other than Individuals, HUF's, NRI's etc.) are required to send scanned certified true copy (PDF format) of the relevant Board resolution / Power of Attorney / Authority Letter to the Scrutinizer at the e-mail ID **rss.scrutinizer@gmail.com** with copy to **evoting@karvy.com**.

xiv) In case of any queries on e-voting, you may refer Frequently Asked Questions (FAQs) on e-voting and User Manual for Shareholders available at the download section of https://evoting.karvy.com or contact Shri Anupam Ompolu, Manager at Karvy at e-mail id: anupam.ompolu@karvy.com, contact no.: 040-67161531 or can also call Karvy's toll free no.: 1800-345-4001.

B. For Members receiving AGM Notice by Post:

i) Initial Password is provided below the Attendance Slip in the following format:

EVEN (e-Voting Event Number)	User ID	Password / PIN

ii) Please follow all steps as mentioned in (A) above, to cast your vote.

23. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified true copy of the Board Resolution authorizing their representatives to attend and vote at the AGM, on their behalf.

24. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details / mandates, change of address, e-mail IDs etc., to their respective Depository Participants. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agent of the Company i.e. Karvy.

25. The relevant documents referred to in the Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 11:00 A.M. and 4:00 P.M. on all working days, other than Saturday, up to the date of the AGM.

26. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit duly filled Nomination Form (Form No. SH – 13) with Karvy. Blank forms will be provided by the Company on request.

27. The Securities Exchange Board of India ("**SEBI**") has mandated the submission of Permanent Account Number ("**PAN**") by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants, with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Karvy/Company.

28. Members are requested to participate in the 'Green Initiative in Corporate Governance'. Members, who have not registered their e-mail IDs so far, are requested to register their e-mail IDs for receiving all communications including Annual Report, Notices etc. from the Company electronically.

29. Members/Proxies should bring the Attendance Slip duly filled in for attending the AGM. They are also requested to bring their Annual Report along with them.

30. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No.: 5

The present term of appointment (i.e. February 7, 2014 to February 6, 2017) of Shri Ramesh Kumar Sharma as Whole-time Director will expire on February 6, 2017. Pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors (the "**Board**") upon the recommendation of the Nomination and Remuneration Committee, recommended his re-appointment as Whole-time Director designated as Executive Director & Chief Operating Officer for a term of 5 (Five) years w.e.f. February 7, 2017 to February 6, 2022, on the terms and conditions as specified in the resolution at Item No. 5 of this Notice. Shri Ramesh Kumar Sharma has given his consent for the same.

Shri Ramesh Kumar Sharma aged 58 years is a Certified Associate of Indian Institute of Bankers. He holds a Bachelor's degree & a Master's degree in Commerce from University of Rajasthan, Jaipur. He is associated with the Company since April, 2007. Prior to joining the Company, he was associated with the State Bank of Bikaner and Jaipur and has over 29 years' experience in foreign exchange, credit and administration sectors. During his present term as Executive Director & Chief Operating Officer, he is drawing Rs. 3,00,000/- per month as salary. He has attended all 5 Board meetings held during the financial year 2015-16.

In view of his contribution to the growth of the Company, his qualities and capabilities supported by experience and after assessing his business acumen, the Board considers that his re-appointment as a Whole-time Director would be of immense benefit to the Company. Hence, the Board recommends the resolution set out at Item No. 5 of this Notice for your approval by way of an Ordinary resolution.

Except Shri Ramesh Kumar Sharma and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

Item No.: 6

Pursuant to Section 314(1)(b) of the Companies Act, 1956, Shri Nitin Gupta (relative of Director) was re-appointed as President (Diamond Manufacturing) for a period of 5 years w.e.f. July 1, 2013, with the approval of Members in the 8th Annual General Meeting of the Company. However, the Central Government vide its order dated March 31, 2014 approved the re-appointment of Shri Nitin Gupta for holding an office or place of profit only for a period of 3 years w.e.f. July 1, 2013. During this term of appointment, the Nomination And Remuneration Committee approved the change in his designation from President (Diamond Manufacturing) to President (Manufacturing) w.e.f. August 13, 2015 on the same terms and conditions as approved by the Central Government. In terms of aforesaid Central Government order, the appointment of Shri Nitin Gupta expired on June 30, 2016. In view of his contribution to the growth of the Company, his qualities and capabilities supported by experience and after assessing his business acumen, it is proposed to re-appoint Shri Nitin Gupta as President (Manufacturing) for a further term of 5 years w.e.f. July 1, 2016.

On recommendation of Nomination and Remuneration Committee the Board of Directors in its meeting held on May 30, 2016, have approved the re-appointment of Shri Nitin Gupta as President (Manufacturing) on the terms and conditions as specified in the resolution at Item No. 6 of this Notice.

As the re-appointment of Shri Nitin Gupta (son of Shri Padam Chand Gupta, Chairman of the Company) is proposed at a remuneration in excess of Rs.2,50,000/- per month, hence, in terms of Section 188 of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014, approval of the Members by way of Special resolution is required. Hence, the Board of Directors recommends the resolution set out at Item No. 6 for your approval by way of Special Resolution.

Except Shri Padam Chand Gupta and his relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholdings in the Company.

By order of the Board of Directors
For **PC Jeweller Limited**
Sd/-
(VIJAY PANWAR)
Company Secretary

Place: New Delhi
Date: August18, 2016

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
[Pursuant to Regulation 36(3) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015]

Name	**Shri Padam Chand Gupta**	**Shri Ramesh Kumar Sharma**
Date of Birth	March 26, 1954	September 27, 1957
Qualifications	Basic education	Certified Associate of Indian Institute of Bankers, B.Com. & M.Com. from University of Rajasthan, Jaipur
Expertise in specific functional areas	General Management & Jewellery Industry	Foreign Exchange, Credit and Administration
Relationships between directors inter-se	Shri Balram Garg (Brother) Mrs. Kusum Jain (Sister)	None
Directorships held in other listed entities	None	None
Membership / Chairmanship of committees of the Board in other listed entities	None	None
Shareholding in the Company	5,03,71,800	3,000

PCJ Jeweller for generations
PC Jeweller

PC Jeweller Limited

CIN: L36911DL2005PLC134929
Regd. Office: C-54, Preet Vihar, Vikas Marg, Delhi – 110 092
Phone: 011-49714971, Fax: 011-49714972
E-mail: investors@pcjeweller.com, Website: www.pcjeweller.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management & Administration) Rules, 2014]

Name of the Member(s) : ……

Registered address : ……

E-mail ID : ……

Folio Number/Client ID : …….. DP ID : ……

I/We, being the Member(s) of …….. shares of the above named Company, hereby appoint:

1.

Name:	E-mail ID:
Address:	Signature:

or failing him/her

2.

Name:	E-mail ID:
Address:	Signature:

or failing him/her

3.

Name:	E-mail ID:
Address:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **11th Annual General Meeting** of the Company, to be held on **Monday, September 19, 2016 at 3:30 P.M. at Air Force Auditorium, Subroto Park, New Delhi - 110010** and at any adjournment thereof in respect of such resolution(s) as are indicated below:

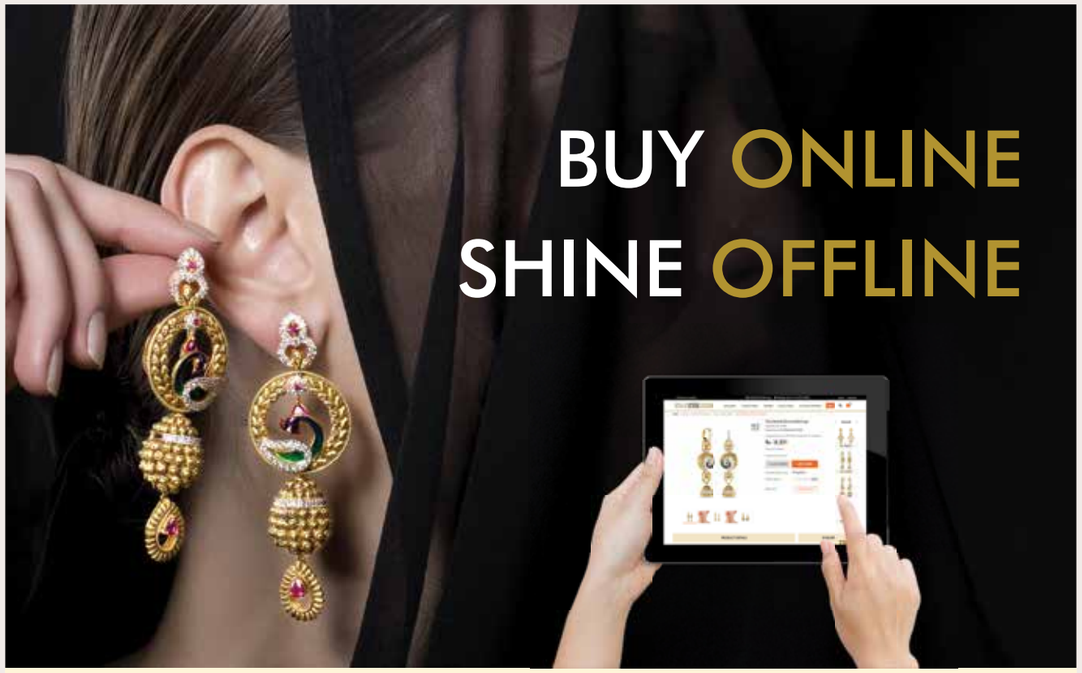
1. Consideration and adoption of audited financial statements (standalone and consolidated) for the financial year ended March 31, 2016 together with the reports of the Board of Directors and Statutory Auditors thereon.
2. Declaration of dividend for the financial year 2015-16.
3. Re-appointment of Shri Padam Chand Gupta as a Director liable to retire by rotation.
4. Ratification of appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants and M/s Sharad Jain Associates, Chartered Accountants as Statutory Auditors and fixing their remuneration.
5. Re-appointment of Shri Ramesh Kumar Sharma as a Whole-time Director.
6. Re-appointment of Shri Nitin Gupta as President (Manufacturing).

Signed this …… day of …….. 2016.

Signature of Member …… Affix Rs. 1 Revenue Stamp Signature of Proxy holder(s) ……

Note:
(1) This Proxy Form should be signed across the stamp and in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
(2) Please turn over, for Route Map of the venue of the meeting.

NOTES



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