PCJ
Jeweller for generations

Date: 03/10/2018

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 2017 - 18

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

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report 2017 - 18, which has been approved and adopted in the 13th Annual General Meeting of the Company held on September 29, 2018.

Kindly take the same on record.

Thanking you.

For **PC Jeweller Limited**

PC JEWELLER LIMITED New Delhi

(VIJAY PANWAR)
Company Secretary

Encl.: As above

PC Jeweller

THE YEAR IN PERSPECTIVE

Annual Report
2017-18

PC Jeweller Limited

CONTENTS

Forward Looking Statements

The year in perspective

Continuous improvement, consistent value addition and a relentless pursuit to add to the present offerings, can be considered as the vital pillars of success. We believe that being on our toes to ensure utmost level of customer satisfaction along with sustainable growth will always serve as an inherent element of our success. Financial Year 2017-18 (FY18) has been an action packed year for PC Jeweller on these lines.

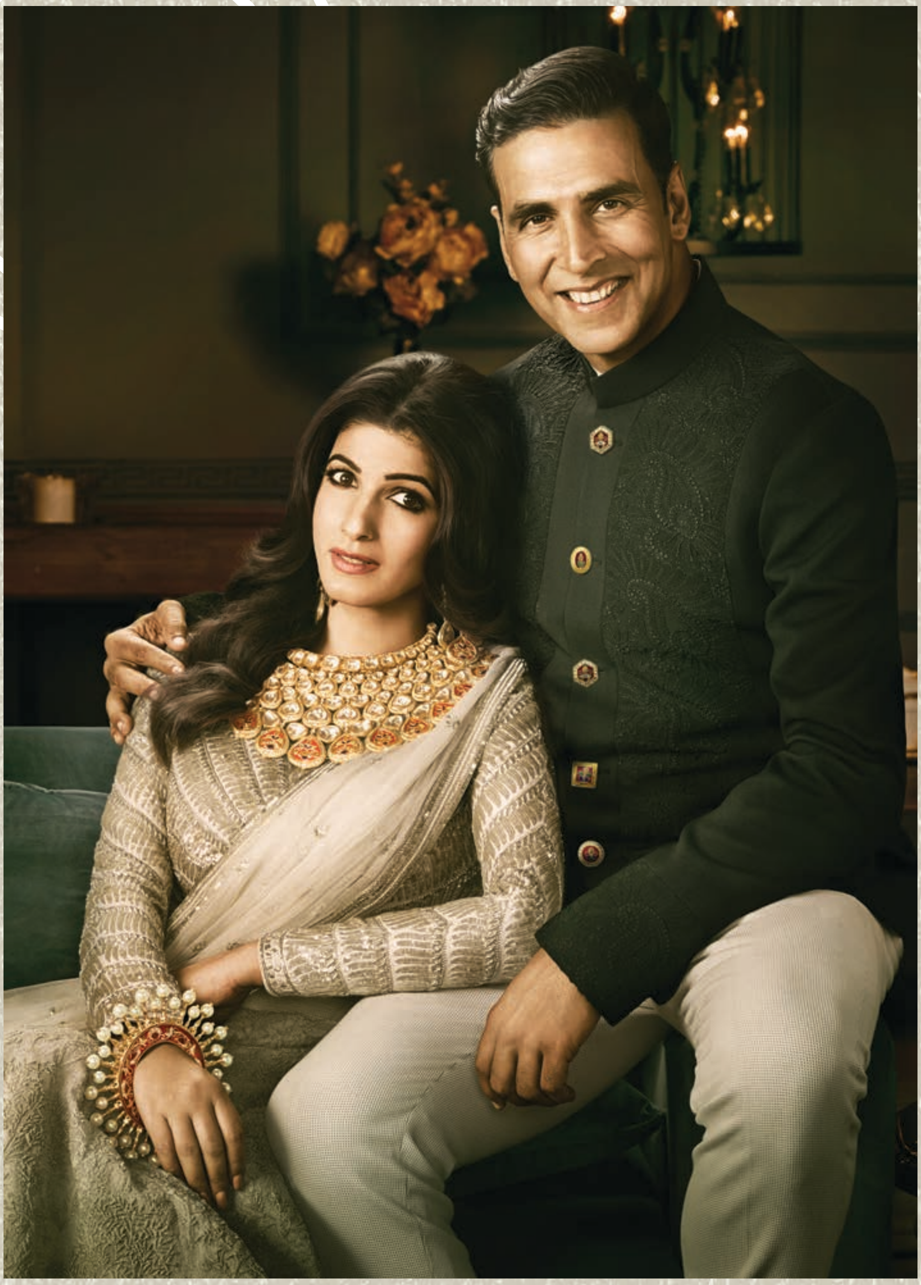
During FY18, the economic and business environment started showing signs of recovery, post the recovery from after effects of demonetization happened in FY17 besides India's biggest tax reform, the Goods & Service Tax (GST) implementation. While these structural changes impacted the entire economy, the major impact was seen on sectors where major part is unorganized like Gems & Jewellery.

The major focus areas of strategic execution during FY18 were:

- Greater impetus on our consumer marketing
- Retail expansion strategy to amplify and sustain growth
- Product strategy for larger success in market place

As a result, the Company has put up its best ever financial performance in FY18. The Company recorded growth of 17.2 % in topline, 26.5 % in EBIDTA and an impressive 31.8% in Net Profits, on Year-On-Year basis.

As we look back at we see an action packed year and we believe that this is one many more such milestones of our journey, going forward.



We engaged one of the Bollywood's most adorable celebrity star couple, Akshay Kumar-Twinkle Khanna as brand ambassadors.

Adding shine to customer engagement

A 'happy customer' is the biggest asset a business can have.

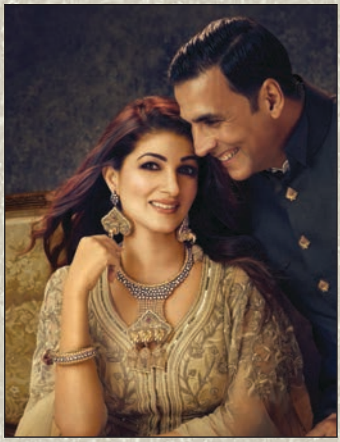
At PC Jeweller, fostering a bond and keeping in constant touch with our customers has always been at the core of our business strategy. During FY18, PC Jeweller took some major strides to add shine to customer engagement. We engaged one of the Bollywood's most adorable celebrity star couple, Akshay Kumar-Twinkle Khanna as brand ambassadors. Our brand was instantly able to leverage the couple's charisma since they are the face to which the customers can connect and this association evokes the feeling of trust & faith in our products.

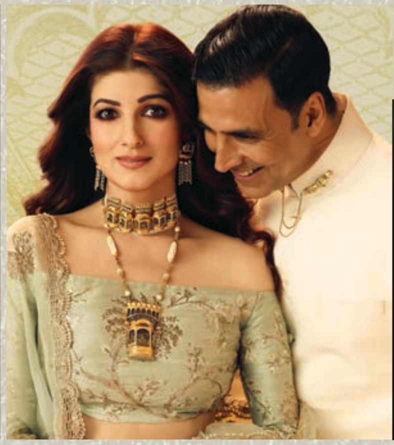
During the year, our marketing spends increased significantly over the previous year as we amplified our customer reach through various advertising mediums. This shift in marketing was also aimed at taking benefit of the markets getting more organized after demonetization in FY17, GST implementation in FY18 and other regulatory developments.

This amplification of marketing reach has surely added shine to our customer engagement.

New Brand Ambassadors -
Akshay Kumar-Twinkle Khanna

27.5% increase in domestic retail sales





HARDOI

MUZAFFARNAGAR

HAPUR

NAGPUR

HALDWANI

KRISHNA NAGAR

KAITHAL

MORADABAD

ROHINI

SOLAN

JHANSI

During FY18 we added 17 new showrooms to take our tally to 92 showrooms.

Adding milestones to customer reach

It is said that 'seeing is believing' and touching adds a whole new dimension to this thought as it facilitates the realization of that belief.

Jewellery buying is still an affair that involves meeting of people personally as it facilitates the seeing, touching and feeling the product before making a sound buying decision. At PC Jeweller, this understanding is deeply ingrained in our strategy and operations. We have always focused on increasing our physical presence which is evident by a 3.1 times growth in number of showrooms between FY13 and FY18. During FY18 also, we added 17 new showrooms to take our tally to 92 showrooms.

FY18 also witnessed the initial success and larger roll-out of strategic shift in our showrooms strategy. First part of this shift has been to expand the Franchise model which got doubled from 05 showrooms in FY17 to 10 showrooms in FY18. The second part of this strategy is to focus on small format showrooms as well, to help us reach to the larger part of our country.

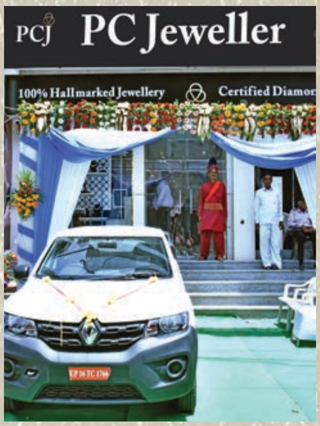
We also refined our online customer reach strategy by consolidating the online operations under the PCJ brand itself and discontinued the earlier operations under www.aucent.com and ertswhile www.wearyourshine.com. Now, our customers reach www.pcjeweller.com as a landing page whenever they wish to transact online with us. We are also working on developing deeper engagement with Flipkart, Amazon and Jabong.

92
STORES

4,19,963
Sq. Ft Area

73
CITIES

MEERUT



BAHADURGARH

RUDRAPUR


PALWAL

AURANGABAD

BHIWANI

Azva – Adding new paradigm to our retail brand

We at PC Jeweller proudly presented brand - 'Azva', a premium jewellrey offering, to our customers. The brand is a quintessence of impeccable Indian craftsmanship coupled with international designs. Initially operational as a pure gold jewelry brand, Azva has now expanded its offerings with diamond jewelry as well.

We have introduced 200 designs under this brand so that the modern-day women can embellish these masterpieces and celebrate femininity and modernity. The collection lays emphasis on using the gems and metal in their natural or pure form. The designs are crafted using enamel diamonds, uncut polki and inlay techniques in handcrafted 18 Kt gold.

Azva's offerings also include a one-of-its-kind collection that is fashioned by a stellar collaboration of Central Saint Martin's University of Arts in London and Azva called 'Entwined'.

During FY18, we also moved Azva's operations from pure B2B to B2C with the inception of Azva's first flagship boutique that is housed in Taj Santacruz, Mumbai. Our showroom is designed catering to the essence of the brand and in every sense, it exemplifies the international look and contemporary appeal of the brand.

We at PC Jeweller proudly presented brand - 'Azva', a premium jewellery offering, to our customers. The brand is a quintessence of impeccable Indian craftsmanship coupled with eccentric international

AZVA BOUTIQUE, TAJ SANTACRUZ - FACADE VIEW

AZVA BOUTIQUE, TAJ SANTACRUZ - THE COLLECTION

AZVA BOUTIQUE, TAJ SANTACRUZ - CUSTOMER LOUNGE

Adding variety to customer choice

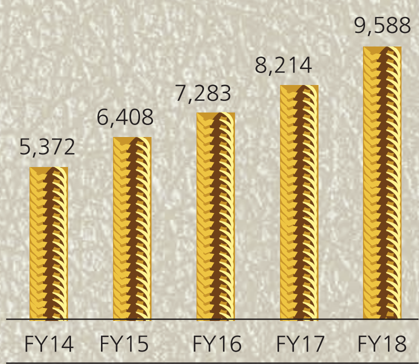
A customer's Jewellery buying decision is a matter of personal choice and it is the cultivation of huge amount of consideration. The usual parameters that play a crucial role in decision making include variety, designs, price and availability of the piece of jewellery. We understand this buying behavior and market needs well.

We have been working to expand our product range and variety to include the non-wedding consumers including youth and working women. We have been working on designing and manufacturing light-weight, day-to-day wear, party wear and lifestyle offerings to cater to all the age groups and all occasions and accordingly launched a number of collections specifically aimed at young and working women.

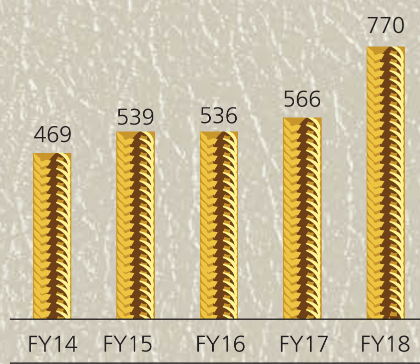
Adding variety to our customers' choice has been our chief endeavor and we strive to become a one stop shop for every member of a family.

Adding numbers to our growth story

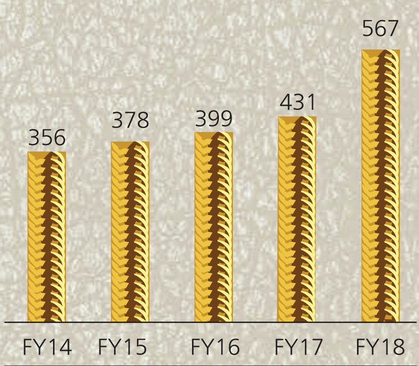
Total Income (₹ Crores)



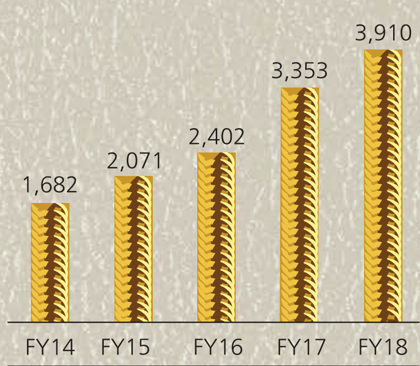
Profit Before Tax (₹ Crores)



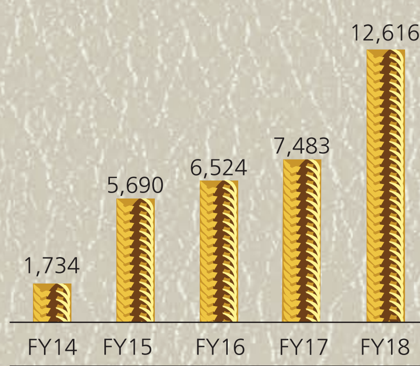
Profit After Tax (₹ Crores)



Net Worth (₹ Crores)



Market Capitalization (₹ Crores)



*On Standalone basis

The Growth Multiplier Period FY13 – FY18

Particulars	Unit	FY13	FY18	Growth Multiple
Cities Covered	(Nos.)	23	73	3.2
No. of Stores	(Nos.)	30	92	3.1
Area Covered	(Sq Ft)	1,64,572	4,19,963	2.6
Revenue from Operations	(₹ Crores)	4,018	9,616	2.4
Domestic Sales	(₹ Crores)	2,987	6,522	2.2
EBIT	(₹ Crores)	375	758	2.0
PAT	(₹ Crores)	291	536	1.8
Networth	(₹ Crores)	1,389	3,881	2.8

*Financial figures on Consolidated basis

MESSAGE FROM THE MANAGING DIRECTOR

Dear Shareholders,

I am pleased to place before you the 13th Annual Report of the Company. PC Jeweller Limited ("PCJ") celebrated its 13th birthday in the month of April 2018 and also completed 5 years as a listed Company. Overall in the five years from March 2013 till March 2018, PCJ has grown 3.1 times in number of stores, 2.8 times in consolidated net worth, 2.4 times in overall sales and 2.0 times in consolidated EBIT.

We are a relatively young Company and excited about the journey we are on. As companions on this journey, we count upon the continued support of all our stakeholders, investors, bankers, employees and franchisee partners in building a solid and profitable jewellery business.

Financial year 2017-18 was the best year in the Company's history. Your Company grew by 17.2 % in topline and 26.5 % in EBIDTA. The PAT of the Company also grew by 31.8% on YOY basis. We also expanded our store network by opening 17 new showrooms, out of which 5 were franchisee outlets.

PCJ took on brand ambassadors from Bollywood for the first time and launched a successful campaign featuring Twinkle Khanna and Akshay Kumar. This campaign found good resonance with the consumers and helped the company to gain market share.

We further refined our online strategy this year by consolidating the operations under the PCJ brand itself, thereby doing away with market place operations previously under www.aucent.com and www.wearyourshine.com. We've made the landing page of www.pcjeweller.com as the shopping page and are focused on working deeper with Flipkart, Amazon and Jabong.

PCJ's premium selective offering 'Azva' expanded its product range. From a pure gold jewellery player, Azva has developed expertise in diamond jewellery as well. PCJ also entered Mumbai market for the first time through Azva's first exclusive retail store at Taj Santacruz, Mumbai. This marks a shift from Azva being a pure B2B offering to B2C as well.

The Indian jewellery sector continues its shift towards the organized players and we feel that for the organized retailers there is huge potential for growth and gain in market share. Almost 65% of Indian population is less than 35 years of age and with Indian GDP projected to grow at 7% per annum for the next years we expect increased consumer spending. We also anticipate an increasing number of affluent middle class and aspirational youth to push consumerism and increase spending on life style products including jewellery.

In the rural areas also there are a lot of development activities happening with improvements in roads, communications, digitization and electrification etc. and we are very confident that these areas will also become a much stronger driver of consumer spending than before. On the macro level therefore we remain very positive about the demand drivers in the jewellery industry.

The current year has however started on a somber note, with banks turning averse to exposure to jewellery sector in general. PCJ is cognizant of the lending tightness and therefore has been prudent about its expansion plans and outlay for the year. We believe this will be a year of consolidation for the industry at large. The strategy for the current FY is therefore focused targeting and expansion of customer base, expansion only via the franchisee route and conserving capital. The Company is at the same time working on new customer acquisition channels like online, gift cards, digital gold accounts etc which do not require investment in physical assets. Company is also working on enhancing its customer experience by revamping its stores and introducing different technologies therein.

Yours sincerely,

Sd/-
Balram Garg
Managing Director

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. Sannovanda Machaiah Swathi	Independent Director (Appointed w.e.f. January 19, 2018)
Dr. Manohar Lal Singla	Independent Director
Shri Krishan Kumar Khurana	Independent Director
Shri Miyar Ramanath Nayak	Independent Director
Shri Suresh Kumar Jain	Independent Director
Shri Muneesh Chawla	Nominee Director (Resigned w.e.f. January 20, 2018)
CHIEF FINANCIAL OFFICER	Shri Sanjeev Bhatia
COMPANY SECRETARY & COMPLIANCE OFFICER	Shri Vijay Panwar
STATUTORY AUDITORS	Walker Chandiok & Co. LLP, Chartered Accountants Firm Registration No.: 001076N/N500013
REGISTERED OFFICE	PC Jeweller Limited C - 54, Preet Vihar, Vikas Marg, Delhi - 110092 Tel: 011 - 49714971, Fax: 011 - 49714972
REGISTRAR AND 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 - 67161606 | Fax: 040 - 67161791 E-mail: einward.ris@karvy.com
WEBSITE	www.pcjeweller.com
CORPORATE IDENTITY NUMBER	L36911DL2005PLC134929
ISIN (EQUITY SHARE)	INE785M01013
BSE SCRIP CODE	534809
NSE SYMBOL	PCJEWELLER

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 13th Annual Report together with the audited financial statements of the Company for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

The highlights of the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018, are as under:

(₹ in crores, except earnings per share)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	9,488.97	8,104.58	9,615.44	8,479.55
Other income	98.96	109.15	91.08	97.25
Total income	**9,587.93**	**8,213.73**	**9,706.52**	**8,576.80**
Profit before finance costs, depreciation and tax	1,091.92	863.12	1,061.93	855.19
Less: Finance cost	301.29	274.71	303.89	278.56
Less: Depreciation & amortisation expense	20.46	22.01	21.46	22.48
Profit before tax	**770.17**	**566.40**	**736.58**	**554.15**
Less: Tax Expense	202.77	135.87	200.94	133.14
Net profit after tax	**567.40**	**430.53**	**535.64**	**421.01**
Other comprehensive income for the year, net of tax	0.50	(0.08)	2.51	(4.42)
Total comprehensive income for the year	**567.90**	**430.45**	**538.15**	**416.59**
Earnings per share (in ₹):				
Basic	14.94	12.03	14.16	11.64
Diluted	14.73	11.31	13.97	10.95

COMPANY'S PERFORMANCE AND BUSINESS OVERVIEW

During the year under review, revenue from operations of your Company on standalone basis grew by 17% to ₹9,489 crores. The net profit after tax also registered a growth of 32% to ₹567 crores. The share of domestic and export sales in the revenue from operations on standalone basis is ₹6,799 crores (72%) and ₹2,690 crores (28%) respectively.

Your Company is engaged in the business of manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items and operates in different geographical areas i.e. domestic sales and export sales. Your Company is continuously moving ahead on its well defined growth path of:

Showroom expansion: The Company continues to focus on expanding its retail presence across the Country. The Company has three types of showrooms i.e. large format, small format and franchisee. As on March 31, 2018, the Company has 92 showrooms, out of which 82 showrooms are Company owned and remaining 10 are franchisee showrooms.

Launching new designs and collections: During the year the Company launched many new jewellery designs and collections like Amalia, Maa, Tattvam, Grecia and La Danza etc.

Strengthening in-house designing and manufacturing capabilities: The Company is having in-house designer's team and 5 manufacturing facilities for meeting its requirements.

CHANGE IN SHARE CAPITAL

Authorised Share Capital: During the year the authorised share capital of the Company increased from ₹500 crores to ₹700 crores, comprising of 44 crores equity shares of ₹10/- each and 26 crores preference shares of ₹10/- each.

Paid-Up Share Capital: During the year following changes have taken place in the paid-up share capital of the Company:

a) 75,200 equity shares were allotted to the eligible employees of the Company under PC Jeweller Limited Employee Stock Option Plan 2011.

b) 17,92,12,800 equity shares were allotted to the shareholders as bonus shares in the proportion of 1 : 1.

c) 2,24,73,600 equity shares were allotted to an entity belonging to Non-Promoter category, upon conversion of 42,69,984 compulsorily convertible debentures of ₹1,000/- each.

d) 1,34,56,000 equity shares were allotted to entities belonging to Non-Promoter category, upon conversion of 25,73,72,912 compulsorily convertible preference shares of ₹10/- each.

Consequently, the paid-up share capital of the Company has been changed from ₹436,51,05,120/- comprising of 17,91,37,600 equity shares of ₹10/- each and 25,73,72,912 preference shares of ₹10/- each to ₹394,35,52,000/- comprising of 39,43,55,200 equity shares of ₹10/- each.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹0.50 per equity share (i.e. @5% of face value of ₹10/- each) for the financial year 2017-18, subject to the approval of Members in the 13th Annual General Meeting.

Your Directors have also recommended a dividend of ₹1.30 per compulsorily convertible preference share (i.e. @13% of face value of ₹10/- each) for the period from April 1, 2017 to September 1, 2017 (i.e. till the date of conversion of compulsory convertible preference shares), subject to the approval of Members in the 13th Annual General Meeting.

TRANSFER TO GENERAL RESERVE

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2018, the Board of your Company comprises of 8 Directors including 5 Independent Directors, which also includes 1 Woman Director.

During the year under review, Mrs. Sannovanda Machaiah Swathi was appointed as an Independent Director (Additional Director) for a term of 5 years with effect from January 19, 2018, subject to the approval of Members.

Shri Suresh Kumar Jain, Independent Director, whose first term as Independent Director will expire on September 18, 2018, has been re-appointed as an Independent Director (Additional Director) for a term of 5 years with effect from September 19, 2018, subject to the approval of Members by way of special resolutin.

Shri Padam Chand Gupta, Director, retires by rotation and being eligible, offeres himself for re-appointment at the 13th Annual General Meeting.

Brief resumes of Mrs. Sannovanda Machaiah Swathi, Shri Suresh Kumar Jain and Shri Padam Chand Gupta, form part of the Notice convening the 13th Annual General Meeting.

Shri Muneesh Chawla ceased to be a Director of the Company with effect from end of the day on January 20, 2018, due to withdrawal of his nomination by DVI Fund (Mauritius) Ltd. The Board placed on record its appreciation for the guidance and contribution made by Shri Muneesh Chawla during his tenure on the Board.

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

SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES

As on March 31, 2018, your Company has following wholly owned non-material subsidiary and step down subsidiary companies:

PC Universal Private Limited: It is engaged in the business of manufacturing and export of gold jewellery and ornaments. It is having a manufacturing facility at Noida Special Economic Zone, Noida (U.P.).

Transforming Retail Private Limited: It is engaged in the business of trading of all kinds of gold and diamond jewellery.

Luxury Products Trendsetter Private Limited: It is engaged in the business of manufacturing, buying, selling etc. of jewellery. It owns the gold jewellery brands AZVA & LoveGold.

PC Jeweller Global DMCC: It is engaged in the business of jewellery trading.

Comercializadora Internacional PC Jeweller International S.A.S.: It becomes step down subsidiary of the Company during the year under review. It is the wholly owned subsidiary of PC Jeweller Global DMCC and authorised to carry out all activities related with the purchase, sale, export and import of gold, silver and its alloys, and acts related with the commercialization of precious metals and jewellery items.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 **(**the "**Act**"**)** a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC - 1 forms part of the Annual Report. The statement also provides the highlights of performance of each of the subsidiary.

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

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/provisions of applicable laws and form part of the Annual Report.

COST RECORDS

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

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 Act read with the applicable Schedules and Rules as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**").

NUMBER OF MEETINGS OF THE BOARD

During the year seven Board meetings were held on May 25, 2017;

August 1, 2017; August 9, 2017; September 8, 2017; November 13, 2017; January 19, 2018 and March 17, 2018. For further details, please refer to Report on Corporate Governance.

AUDIT COMMITTEE

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 Committee members are Independent Directors. Dr. Manohar Lal Singla, Independent Director, is the Chairman of the Committee. For further details, please refer to Report on Corporate Governance.

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.

INTERNAL CONTROL SYSTEMS

Your Company has an effective internal control system, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition. The Internal Auditors of the Company regularly carry out review of the internal control systems and procedures. The internal audit reports are periodically reviewed by Audit Committee.

Your Company has also 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 material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

PUBLIC DEPOSITS

Your Company has been accepting unsecured deposits from the public under its jewellery purchase scheme "Jewel for Less". The scheme is to facilitate customers of the Company to purchase jewellery by making deposits through monthly installments and also get benefit in the form of discount at the time of purchase of jewellery, based on the duration of the scheme. The requisite details relating to deposits, covered under Chapter V of the Act are as under:

a) Accepted during the year : ₹181.75 crores

b) Remained unpaid or unclaimed as at the end of the year:

   i) Deposits that have matured but not claimed : ₹24.76 crores

   ii) Deposits that have matured and claimed but not paid : Nil

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 Act.

STATUS OF UNCLAIMED / UNPAID SHARE APPLICATION MONEY AND DIVIDEND AMOUNTS

The status of unclaimed / unpaid share application money and dividend amounts as on March 31, 2018 is as under:

- Share application money due for refund in relation to Initial Public Offer: ₹2.16 lakh
- Unclaimed / unpaid Dividend: ₹5.46 lakh

PARTICULARS OF LOANS, GUARANTEES AND INVESTEMENTS

The details of loans / guarantees given and investments made by the Company have been disclosed in the notes forming part of the financial statements.

PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered into during the year under review were on arm's length basis and 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. The details of transactions with related parties have been disclosed in the notes forming part of the financial statements.

BORROWINGS AND DEBT SERVICING

The Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or any dues to debenture holder during the year.

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

There have been no material changes and commitments affecting financial position of the Company between end of the financial year and the date of the report.

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

A) CONSERVATION OF ENERGY

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

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the year are as under:

Earnings : ₹2,692.42 crores

Outgo : ₹2,671.03 crores

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

Your Company has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has constituted an Internal Complaints Committee for redressal of complaints on sexual harassment. During the year, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2018.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has in place a Whistle Blower Policy / Vigil Mechanism, which provides a formal mechanism for all employees and the Directors of the Company to report about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct etc. 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.

BOARD EVALUATION

The Board of your Company on the recommendation of Nomination and Remuneration Committee had laid down the criteria for evaluation of performance of the Board, its Committees and individual Directors. Accordingly, annual performance evaluation process was carried out based on evaluation forms, which include a rating mechanism. Independent Directors also reviewed the performance of the Board as a whole, Non-Independent Directors and the Chairman.

The criteria for performance evaluation of the Board and its Committees amongst others includes their structure and composition, processes, information and functioning, terms of reference of the Committees, etc. The criteria for performance evaluation of individual Directors including Executive and Independent Directors amongst others includes their attendance and contribution at the meetings, devotion of time and efforts to understand the Company, its business, their duties and responsibilities and adherence to the code of conduct, etc.

SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

There were 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 Act, your Directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there were 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 formulated PC Jeweller Limited Employee Stock Option Plan 2011 ("**ESOP 2011**"), for grant of a maximum of 26,79,330 stock options to the eligible employees of the Company. ESOP 2011 is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014. During the year, Members of the Company by a special resolution passed on June 28, 2017 approved grant of stock options under ESOP 2011 to the employees of subsidiary company(ies) and by another special resolution passed on October 26, 2017 approved amendment in Vesting Plan.

The amended Vesting Plan provides that the options granted under ESOP 2011 shall vest not earlier than 1 year and not later than 5 years from the Grant date. Within this period, the Vesting Plan could be different for different eligible employees as may be determined by Nomination and Remuneration Committee. The amended Vesting Plan is applicable only on grants made after passing of the resolution.

Further, due to corporate actions undertaken by the Company during the year, to make a fair and reasonable adjustments to the options granted earlier, Nomination and Remuneration Committee on January 19, 2018 granted 7,82,537 additional options under ESOP 2011 with regard to the options already granted but not yet vested / exercised by the option holders till the date of corporate actions. Accordingly, the total number of options reserved under ESOP 2011 also increased from 26,79,330 to 34,61,867.

The certificate from Statutory Auditors that the Scheme i.e. ESOP 2011 has been implemented in accordance with the SEBI Guidelines and the resolution passed by Members would be available for inspection by Members at the ensuing Annual General Meeting. The information required to be disclosed pursuant to the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 is available on the Company's website www.pcjeweller.com in the Investor Section.

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

Your Company has always considered human resources as invaluable assets of the Company. The Nomination & Remuneration Policy of the Company is designed to identify the persons for appointment as Director, Key Managerial Personnel and other Senior Management Personnel and to attract, motivate, improve productivity and retain manpower by creating a congenial work atmosphere, encouraging initiatives and team work by creating a sense of belonging and involvement, besides offering appropriate remuneration packages.

The objective of the Policy on Criteria for determining Qualifications, Positive Attributes and Independence of a Director is to determine qualifications, positive attributes and independence of a director.

The Nomination & Remuneration Policy as well as Criteria for determining Qualifications, Positive Attributes and Independence of a Director are placed on the Company's website www.pcjeweller.com in the Investor Section.

MANAGEMENT DISCUSSION AND ANALYSIS

As stipulated under the LODR Regulations, the Management Discussion and Analysis Report forms part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

As stipulated under the LODR Regulations, the Business Responsibility Report forms part of the Annual Report.

AUDITORS AND THEIR REPORT

STATUTORY AUDITORS

M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) was appointed as Statutory Auditors of the Company for 5 years in the 10th Annual General Meeting of the Company held on September 19, 2015, subject to ratification by Members at every Annual General Meeting. However, pursuant to amendment in Section 139 of the Act, the requirement of ratification of the appointment of Statutory Auditors at every Annual General Meeting has been omitted and accordingly the proposal for ratification of the appointment of M/s Walker Chandiok & Co LLP has not been considered.

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 Act 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 year under review. The Secretarial Audit Report is annexed herewith as "**Annexure - 1**" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks except that 1) no Woman Director was on the Board for part of the year under review; and 2) the balance of deposit repayment reserve account was short by ₹1.90 crore as at March 31, 2018. The Company has already appointed Woman Director on its Board during the year under review and had complied with the requirement. Further, after March 31, 2018 the requisite amount was deposited in Deposit Repayment Reserve Account and the Company had complied with the requirement.

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instance of fraud under Section 143(12) of the Act and rules made thereunder.

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance as stipulated under the LODR Regulations forms part of the Annual Report. The certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is annexed as "**Annexure - 2**" to this report.

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, is annexed as "**Annexure - 3**" to this Report.

CORPORATE SOCIAL RESPONSIBILITY

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. The brief outline of the Corporate Social Responsibility Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year, in the prescribed format, as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as "**Annexure – 4**" to this Report.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the LODR Regulations, your Company has formulated a Dividend Distribution Policy. The same is placed on the website of the Company and is annexed as "**Annexure – 5**" to this report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT - 9 is annexed as **"Annexure - 6"** to this report.

ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude and place on record their appreciation for the valuable support and cooperation of the Company's employees, bankers, government and other statutory authorities, customers, suppliers and shareholders, who have reposed their continued trust and confidence in the Company.

For and on behalf of the Board

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

Date: August 27, 2018
Place: New Delhi

Annexure - 1

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2018
[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, 2018 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, 2018 and made available to me, 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 of India (Prohibition of Insider Trading) Regulations, 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 an 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 neither issued nor 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];**
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];**
9. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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. Bureau of Indian Standards Act, 1986
2. The Legal Metrology Act, 2009 and The Legal Metrology (Packaged Commodities) Rules, 2011

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except that:

1. No Women Director was on the Board for part of the year under review. However, the Company has appointed an Independent Woman Director on 19th January, 2018.
2. As at 31st March, 2018, the balance of Deposit Repayment Reserve Account as required under section 73(2)(c) of the

Act was short by ₹1.90 crores. However, after closure of the financial year under review, the Company has complied with this requirement.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and Committees meetings were unanimous and no dissenting views have been recorded.

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

I further report that during the audit period the Company has allotted the securities mentioned hereunder to the persons entitled thereto and has also issued letters / certificates thereof to the concerned persons:-

a) 75,200 equity shares to the eligible employees of the Company under PC Jeweller Limited Employee Stock Option Plan 2011.

b) 17,92,12,800 equity shares to the shareholders by way of bonus issue in the ratio of 1 : 1.

c) 2,24,73,600 equity shares upon conversion of 42,69,984 Compulsorily Convertible Debentures.

d) 1,34,56,000 equity shares upon conversion of 25,73,72,912 Compulsorily Convertible Preference Shares.

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

Sd/-
(RANDHIR SINGH SHARMA)
Proprietor
Membership No.: FCS2062
C.P. No.: 3872

Place: New Delhi
Date: August 27, 2018

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 records 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)
Proprietor
Membership No.: FCS2062
C.P. No.: 3872

Place: New Delhi
Date: August 27, 2018

Annexure - 2

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, 2018 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") read with Schedule V of LODR Regulations.

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 Corporate Governance as specified in Regulations 17 [except Regulation 17(1)(a) for part of the year] to 27 and clauses (b) to (i) of the Regulation 46(2) of the LODR Regulations.

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)
Proprietor
Membership No.: FCS2062
C.P. No.: 3872

Place: New Delhi
Date: August 27, 2018

Annexure - 3

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 2017-18:

Median remuneration of employees for the financial year 2017-18: ₹2.05 lakhs

Name of Director	Ratio
Non-Executive Director	
Shri Padam Chand Gupta	2.05
Dr. Manohar Lal Singla	1.96
Shri Krishan Kumar Khurana	2.15
Shri Miyar Ramanath Nayak	1.17
Shri Suresh Kumar Jain	0.98
Shri Muneesh Chawla (ceased w.e.f. January 20, 2018)	0.78
Smt. Sannovanda Machaiah Swathi (appointed w.e.f. January 19, 2018)	0.00
Executive Director	
Shri Balram Garg	351.22
Shri Ramesh Kumar Sharma	73.34

Note: The remuneration of Non-Executive Directors is the sitting fee paid to them for attending Board and its Committee meetings.

(ii) The percentage increase / decrease in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18:

(₹ in Lakhs)

Name	2016-17	2017-18	Percentage increase / (decrease) in remuneration
Non-Executive Director			
Shri Padam Chand Gupta	5.00	4.20	(16.00)
Dr. Manohar Lal Singla	4.60	4.00	(13.04)
Shri Krishan Kumar Khurana	5.00	4.40	(12.00)
Shri Miyar Ramanath Nayak	2.90	2.40	(17.24)
Shri Suresh Kumar Jain	2.00	2.00	0.00
Shri Muneesh Chawla (ceased w.e.f. January 20, 2018)	2.00	1.60	#
Smt. Sannovanda Machaiah Swathi (appointed w.e.f. January 19, 2018)	-	0.00	@
Executive Director			
Shri Balram Garg	690.00	720.00	4.35
Shri Ramesh Kumar Sharma	68.42	150.34	119.73
Chief Financial Officer			
Shri Sanjeev Bhatia	69.92	150.34	115.02
Company Secretary			
Shri Vijay Panwar	30.04	67.61	125.07

Not provided as Shri Muneesh Chawla was holding directorship for part of the financial year.

@ Not provided as Smt. Sannovanda Machaiah Swathi was not a Director during the financial year 2016-17.

(iii) The percentage increase in the median remuneration of employees in the financial year 2017-18: 11.41%

(iv) The number of permanent employees on the rolls of company as on March 31, 2018: 3,071

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

(₹ in Lakhs)

Particulars	2016-17	2017-18	% increase
Average salaries of all employees other than Key Managerial Personnel	2.34	2.53	8.12
Key Managerial Personnel			
- Salary of Managing Director	690.00	720.00	4.35
- Salary of Chief Financial Officer	69.92	150.34	115.02
- Salary of Company Secretary	30.04	67.61	125.07

The percentage increase in remuneration of Chief Financial Officer and Company Secretary is higher compared to average percentage increase in salaries of all employees other than Key Managerial Personnel mainly due to perquisite value of shares allotted to them upon exercise of stock options during the financial year as well as increase in remuneration commensurate with their responsibilities and work profile.

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 ₹102 lakhs per annum:

Name / Particulars	Shri Balram Garg	Shri Ramesh Kumar Sharma	Shri Sanjeev Bhatia	Shri Raja Ram Sugla	Shri Kuldeep Singh
Designation	Managing Director	Executive Director & C.O.O.	Chief Financial Officer	President (Accounts & Taxation)	President (Accounts & Audit)
Remuneration received	₹720 lakhs	₹150.34 lakhs	₹150.34 lakhs	₹144.53 lakhs	₹144.53 lakhs
Nature of employment	Contractual	Contractual	Permanent Employee	Permanent Employee	Permanent Employee
Qualification	B. Com.	Certified Associate of Indian Institute of Bankers, M.Com., B.Com.	Certified Associate of Indian Institute of Bankers, MBA, M.A., B.A.	Chartered Accountant, B.Com.	Chartered Accountant, B.Sc.
Experience (in years)	29	40	32	18	12
Date of commencement of employment	April 16, 2005	April 1, 2007	August 1, 2008	April 1, 2006	October 1, 2008
Age (in years)	48	60	56	42	40
Previous employment	None	State Bank of Bikaner & Jaipur	State Bank of India	Private Consultant	Private Consultant
Percentage of Equity Shares held (%)	33.97	0.01	0.01	0.01	0.01
Relative Director	Shri Padam Chand Gupta (Brother)	None	None	None	None

(ii) Employed for part of the year and in receipt of remuneration aggregating not less than ₹8.50 lakhs 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 - 4

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 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 is available on the website of the Company and can be accessed through the link https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/PCJ_CSR%20Policy.pdf.

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

3. **Average net profit of the Company for last three financial years:** ₹546.95 crores
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** ₹10.94 crores
5. **Details of CSR spent during the financial year:**
   a) Total amount to be spent for the financial year: ₹10.94 crores
   b) Amount unspent, if any: ₹5.69 crores
   c) Manner in which the amount spent during the financial year is detailed below:

(₹ 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 school building	Clause (ii) of Schedule VII: Promoting Education	Delhi	6.00	4.00	4.00	Through implementing agency: Maharaja Agrasen Technical Education Society
2	Construction of Hospital Building	Clause (i) of Schedule VII: Promoting Healthcare	Delhi	1.25	1.25	1.25	Through implementing agency: Dr. Narayan Dutt Shrimali Foundation International Charitable Trust Society
	TOTAL			**7.25**	**5.25**	**5.25**	

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 has been gradually increasing its expenditure on CSR activities year by year. During the year, in addition to making contribution for promoting education, the Company also contributed towards promoting healthcare. However, despite its best efforts the Company was unable to spend the whole amount required to be spent for CSR activities during the year. Although, the Company has made some contributions towards other social activities but those are not covered under CSR expenditure. However, the Company is committed to increasing its spending under the approved heads and achieve mandatory expenditure requirements in near 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

Date: August 27, 2018

Annexure - 5

DIVIDEND DISTRIBUTION POLICY

1) PREFACE

The Securities Exchange Board of India (**SEBI**) vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 dated July 8, 2016 has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

PC Jeweller Limited (the "**Company**"**)** being one of the top five hundred listed companies based on the aforesaid criteria, has approved and adopted this Dividend Distribution Policy (the "**Policy**"**)** at its Board meeting held on November 23, 2016, being the effective date of the Policy.

2) OBJECTIVE

The objective of the Policy is to broadly specify the circumstances under which the shareholders of the Company may or may not expect dividend, the external and internal factors including financial parameters that shall be considered while declaring dividend and how the retained earnings shall be utilized etc.

3) DEFINITIONS

3.1) **"Act"** means the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

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

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

3.4) **"Dividend"** includes any interim dividend.

3.5) **"Policy"** means Dividend Distribution Policy.

3.6) **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India and as amended from time to time.

4) CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned in heading 5 of this Policy) and declare Dividend in any financial year.

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

i) Future expansion plans requiring higher capital allocation;

ii) Requirement of higher working capital for the purpose of business of the Company;

iii) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc., which requires significant capital outflow;

iv) Lenders restricting the Company from payment of dividend;

v) In the event of loss or inadequacy of profit.

5) FINANCIAL PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

The dividend pay-out decision of the Board depends upon the following financial parameters, internal and external factors:

i) The Company's liquidity position and future cash flow needs;

ii) Profits earned during the year;

iii) Profits available for distribution;

iv) Working Capital requirements;

v) Capital expenditure requirements considering the expansion and acquisition opportunities;

vi) Business expansion and growth;

vii) Likelihood of crystalization of contingent liabilities, if any;

viii) Investment in subsidiaries and associates of the Company;

ix) Cost of borrowing;

x) Stipulations/Covenants of loan agreements;

xi) Past dividend payout ratio / trends;

xii) Dividend pay-out ratio of comparable companies;

xiii) Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

6) UTILIZATION OF THE RETAINED EARNING

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. Subject to applicable provisions, the Company's retained earnings will be applied for:

i) Funding inorganic and organic growth needs including working capital, capital expenditure etc.;

ii) repayment of debt;

iii) Market expansion plan;

iv) Increase in production capacity;

v) Payment of Dividend in future years;

vi) Any other permissible purpose as the Board may deem fit from time to time.

7) MANNER OF DIVIDEND PAYOUT

The Company may pay dividend annually, as and when recommended by the Board and approved by the shareholders at the Annual General Meeting of the Company.

The Board may also declare interim dividend(s) as and when they consider it fit.

8) PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

i) EQUITY SHARES

Since the Company has issued only one class of equity shares with equal voting rights, all the shareholders of the Company are entitled to receive the same amount of dividend per share.

ii) PREFERENCE SHARES

Declaration of dividend on preference shares, shall be as per the terms of issue approved by the shareholders.

9) DISCLOSURES

The Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.pcjeweller.com.

10) SCOPE LIMITATION

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

11) AMENDMENT

The Board may review / amend this Policy, as and when necessary, subject however to the provisions of the Act and the Listing Regulations.

Annexure - 6

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

[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, Hyderabad - 500032 (Telangana) Tel: 040 - 67161606, Fax: 040 - 67161791 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/Regn. No.	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** 2733, Third Floor, Gali No. 23-24, Beadon Pura, Karol Bagh, New 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)
4	**PC Jeweller Global DMCC** Unit No. 2108, Platinum Tower, Plot No.JLT-PH1-I2, Jumeirah Lakes Towers, Dubai (UAE)	DMCC60642	Subsidiary	100	2(87)
5	**Comercializadora Internacional PC Jeweller International S.A.S.** CR 9 No. 80 - 15 of 202 - 203 of the city of Bogota D.C.	02795757	Stepdown Subsidiary	100	2(87)

The Company does not have any holding or associate companies.

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

A. Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% 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	122677377	0	122677377	68.48	237570300	0	237570300	60.24	(8.24)
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)	**122677377**	**0**	**122677377**	**68.48**	**237570300**	**0**	**237570300**	**60.24**	**(8.24)**
(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)	**122677377**	**0**	**122677377**	**68.48**	**237570300**	**0**	**237570300**	**60.24**	**(8.24)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	2217000	0	2217000	0.56	0.56
b) Banks / FI	1607	0	1607	0	8077749	0	8077749	2.05	2.05
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	44861979	0	44861979	25.04	123116094	0	123116094	31.22	6.18
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)	**44863586**	**0**	**44863586**	**25.04**	**133410843**	**0**	**133410843**	**33.83**	**8.79**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4246560	0	4246560	2.37	7845101	0	7845101	1.99	(0.38)
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	1807173	850	1808023	1.01	8656603	1852	8658455	2.20	1.19
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5039232	0	5039232	2.81	4910198	0	4910198	1.25	(1.56)
c) Others									
Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
Non Resident Indians	185679	0	185679	0.10	502453	0	502453	0.13	0.03
Clearing Members	315723	0	315723	0.18	1439492	0	1439492	0.37	0.19
Trusts	270	0	270	0	720	0	720	0	0.00
NBFC	1150	0	1150	0	17638	0	17638	0	0.00
Sub-total (B)(2)	**11595787**	**850**	**11596637**	**6.47**	**23372205**	**1852**	**23374057**	**5.93**	**(0.54)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**56459373**	**850**	**56460223**	**31.52**	**156783048**	**1852**	**156784900**	**39.76**	**8.24**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
Grand Total (A+B+C)	**179136750**	**850**	**179137600**	**100**	**394353348**	**1852**	**394355200**	**100**	**0.00**

B. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	66976050	37.39	0	133952100	33.97	0	(3.42)
2	Shri Padam Chand Gupta	50371800	28.12	0	100743600	25.55	0	(2.57)
	Total	**117347850**	**65.51**	**0**	**234695700**	**59.52**	**0**	**(5.99)**

C. Change in Promoters' Shareholding

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**				
	At the beginning of the year	66976050	37.39		
	Increase / (Decrease) in Shareholding during the year				
	14/07/2017* - Purchase (Bonus 2017)	66976050	18.69	133952100	37.37
	At the end of the year			133952100	33.97
2	**Shri Padam Chand Gupta**				
	At the beginning of the year	50371800	28.12		
	Increase / (Decrease) in Shareholding during the year				
	14/07/2017* - Purchase (Bonus 2017)	50371800	14.05	100743600	28.11
	At the end of the year			100743600	25.55

* Date of credit of shares to the demat account.

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters, Promoter Group 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	9075718	5.07		
	Increase/(Decrease) in shareholding during the year				
	21/07/2017 - Purchase	9075718	2.53	18151436	5.06
	At the end of the year			18151436	4.60
2	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	0	0.00		
	Increase/(Decrease) in shareholding during the year				
	30/06/2017 – Purchase	1700000	0.95	1700000	0.95
	21/07/2017 - Purchase	2854335	0.80	4554335	1.27
	28/07/2017 – Purchase	545665	0.15	5100000	1.42
	13/10/2017 – Purchase	1255473	0.32	6355473	1.61
	20/10/2017 – Purchase	1245854	0.32	7601327	1.93
	27/10/2017 – Purchase	998673	0.25	8600000	2.18
	26/01/2018 – Transfer	(399260)	(0.10)	8200740	2.08
	02/02/2018 – Transfer	(594280)	(0.15)	7606460	1.93
	23/03/2018 – Transfer	(1992)	(0.00)	7604468	1.93
	At the end of the year			7604468	1.93

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
3	**STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL**				
	At the beginning of the year	3763571	2.10		
	Increase/(Decrease) in shareholding during the year				
	21/07/2017 - Purchase	3763571	1.05	7527142	2.10
	31/10/2017 – Transfer	(50000)	(0.01)	7477142	1.90
	03/11/2017 – Transfer	(200000)	(0.05)	7277142	1.85
	01/12/2017 – Transfer	(147)	(0.00)	7276995	1.85
	08/12/2017 – Transfer	(549853)	(0.14)	6727142	1.71
	09/02/2018 – Purchase	403712	0.10	7130854	1.81
	16/02/2018 – Purchase	377143	0.10	7507997	1.90
	At the end of the year			7507997	1.90
4	**FIDELITY MAGELLAN FUND - FIDELITY MAGELLAN FUND**				
	At the beginning of the year	0	0.00		
	Increase/(Decrease) in shareholding during the year				
	02/03/2018 – Purchase	3277439	0.83	3277439	0.83
	09/03/2018 – Purchase	1720852	0.44	4998291	1.27
	16/03/2018 – Purchase	1306665	0.33	6304956	1.60
	23/03/2018 – Purchase	7362	0.00	6312318	1.60
	30/03/2018 – Purchase	351739	0.09	6664057	1.69
	At the end of the year			6664057	1.69
5	**FIDELITY INVESTMENT TRUST - FIDELITY EMERGING MARKETS FUND**				
	At the beginning of the year	0	0.00		
	Increase/(Decrease) in shareholding during the year				
	13/10/2017 – Purchase	8858000	2.25	8858000	2.25
	20/10/2017 – Transfer	(13652)	(0.00)	8844348	2.24
	27/10/2017 – Transfer	(567118)	(0.14)	8277230	2.10
	10/11/2017 – Transfer	(1779652)	(0.45)	6497578	1.65
	17/11/2017 – Transfer	(271674)	(0.07)	6225904	1.58
	24/11/2017 – Transfer	(1023402)	(0.26)	5202502	1.32
	08/12/2017 – Transfer	(1103788)	(0.28)	4098714	1.04
	15/12/2017 – Transfer	(43091)	(0.01)	4055623	1.03
	26/01/2018 – Transfer	(625280)	(0.16)	3430343	0.87
	09/02/2018 – Purchase	2085393	0.53	5515736	1.40
	23/02/2018 – Transfer	(54873)	(0.01)	5460863	1.38
	At the end of the year			5460863	1.38
6	**SWEDBANK ROBUR GLOBAL EMERGING MARKETS**				
	At the beginning of the year	620000	0.35		
	Increase/(Decrease) in shareholding during the year				
	12/05/2017 – Purchase	401100	0.22	1021100	0.57
	19/05/2017 – Purchase	186470	0.10	1207570	0.67
	02/06/2017 – Purchase	577151	0.32	1784721	1.00
	21/07/2017 - Purchase	1784721	0.50	3569442	1.00
	09/03/2018 – Purchase	1005749	0.26	4575191	1.16
	At the end of the year			4575191	1.16

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
7	**MAWER GLOBAL SMALL CAP FUND**				
	At the beginning of the year	4531017	2.53		
	Increase/(Decrease) in shareholding during the year				
	07/04/2017 – Transfer	(117715)	(0.07)	4413302	2.46
	14/04/2017 – Transfer	(83961)	(0.05)	4329341	2.42
	21/04/2017 – Transfer	(370788)	(0.21)	3958553	2.21
	28/04/2017 – Transfer	(165013)	(0.09)	3793540	2.12
	05/05/2017 – Transfer	(182261)	(0.10)	3611279	2.02
	12/05/2017 – Transfer	(29636)	(0.02)	3581643	2.00
	02/06/2017 – Transfer	(148283)	(0.08)	3433360	1.92
	14/07/2017 – Transfer	(434210)	(0.24)	2999150	1.67
	21/07/2017 - Purchase	3198235	0.89	6197385	1.73
	01/09/2017 – Transfer	(301822)	(0.08)	5895563	1.64
	27/10/2017 – Transfer	(101378)	(0.03)	5794185	1.47
	31/10/2017 – Transfer	(365528)	(0.09)	5428657	1.38
	03/11/2017 – Transfer	(570594)	(0.14)	4858063	1.23
	19/01/2018 – Transfer	(481608)	(0.12)	4376455	1.11
	02/02/2018 – Transfer	(286000)	(0.07)	4090455	1.04
	At the end of the year			4090455	1.04
8	**MATTHEWS ASIA GROWTH FUND**				
	At the beginning of the year	0	0.00		
	Increase/(Decrease) in shareholding during the year				
	18/08/2017 – Purchase	179387	0.05	179387	0.05
	22/09/2017 – Purchase	651650	0.18	831037	0.23
	29/09/2017 – Purchase	1571438	0.44	2402475	0.67
	06/10/2017 – Purchase	605495	0.16	3007970	0.79
	13/10/2017 – Purchase	73	0.00	3008043	0.76
	09/02/2018 – Purchase	690511	0.18	3698554	0.94
	At the end of the year			3698554	0.94
9	**MATTHEWS EMERGING ASIA FUND**				
	At the beginning of the year	1102185	0.62		
	Increase/(Decrease) in shareholding during the year				
	07/07/2017 – Purchase	147452	0.08	1249637	0.70
	21/07/2017 - Purchase	1249637	0.35	2499274	0.70
	18/08/2017 – Purchase	19743	0.01	2519017	0.70
	At the end of the year			2519017	0.64
10	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND**				
	At the beginning of the year	586186	0.33		
	Increase/(Decrease) in shareholding during the year				
	21/04/2017 – Purchase	45576	0.03	631762	0.35
	28/04/2017 – Purchase	76700	0.04	708462	0.40
	05/05/2017 – Purchase	32302	0.02	740764	0.41
	21/07/2017 - Purchase	740764	0.21	1481528	0.41
	25/08/2017 – Purchase	170200	0.05	1651728	0.46
	22/12/2017 – Purchase	465489	0.12	2117217	0.54
	19/01/2018 – Purchase	105713	0.03	2222930	0.56
	26/01/2018 – Purchase	12079	0.00	2235009	0.57
	02/02/2018 – Purchase	10794	0.00	2245803	0.57
	30/03/2018 – Transfer	(12650)	(0.00)	2233153	0.57
	At the end of the year			2233153	0.57

Note: **1)** Top ten shareholders of the Company as on March 31, 2018 has been considered for the aforesaid disclosure.
2) In case of joint shareholders, name of only first shareholder is mentioned.
3) Purchase / Transfer details are taken on the basis of weekly Benpos.

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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	66976050	37.39		
	Increase / (Decrease) in Shareholding during the year				
	14/07/2017* - Purchase (Bonus 2017)	66976050	18.69	133952100	37.37
	At the end of the year			133952100	33.97
2	**Shri Padam Chand Gupta** (Non-Executive Director)				
	At the beginning of the year	50371800	28.12		
	Increase / (Decrease) in Shareholding during the year				
	14/07/2017* - Purchase (Bonus 2017)	50371800	14.05	100743600	28.11
	At the end of the year			100743600	25.55
3	**Shri Ramesh Kumar Sharma** (Executive Director)				
	At the beginning of the year	9800	0.01		
	Increase / (Decrease) in Shareholding during the year				
	05/04/2017 - Transfer	(200)	(0.00)	9600	0.01
	08/05/2017 - Transfer	(300)	(0.00)	9300	0.01
	16/05/2017 - Transfer	(1700)	(0.00)	7600	0.00
	01/06/2017* - Purchase (ESOP 2011)	17600	0.01	25200	0.01
	05/06/2017 – Transfer	(1300)	(0.00)	23900	0.01
	14/07/2017* - Purchase (Bonus 2017)	23900	0.01	47800	0.01
	21/08/2017 - Transfer	(1000)	(0.00)	46800	0.01
	22/09/2017 - Transfer	(500)	(0.00)	46300	0.01
	27/09/2017 - Transfer	(500)	(0.00)	45800	0.01
	29/09/2017 - Transfer	(700)	(0.00)	45100	0.01
	03/10/2017 - Transfer	(500)	(0.00)	44600	0.01
	04/10/2017 - Transfer	(300)	(0.00)	44300	0.01
	27/11/2017 - Transfer	(500)	(0.00)	43800	0.01
	11/12/2017 - Transfer	(400)	(0.00)	43400	0.01
	26/12/2017 - Transfer	(500)	(0.00)	42900	0.01
	28/12/2017 - Transfer	(200)	(0.00)	42700	0.01
	09/01/2018 - Transfer	(300)	(0.00)	42400	0.01
	06/03/2018 - Transfer	(500)	(0.00)	41900	0.01
	13/03/2018 - Transfer	(250)	(0.00)	41650	0.01
	14/03/2018 - Transfer	(500)	(0.00)	41150	0.01
	15/03/2018 - Transfer	(250)	(0.00)	40900	0.01
	16/03/2018 - Transfer	(200)	(0.00)	40700	0.01
	At the end of the year			40700	0.01
4	**Shri Krishan Kumar Khurana** (Non-Executive Director)				
	At the beginning of the year	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year			0	0
5	**Dr. Manohar Lal Singla** (Non-Executive Director)				
	At the beginning of the year	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year			0	0
6	**Shri Miyar Ramanath Nayak** (Non-Executive Director)				
	At the beginning of the year	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year			0	0
7	**Shri Suresh Kumar Jain** (Non-Executive Director)				
	At the beginning of the year	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year			0	0

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
8	**Smt. Sannovanda Machaiah Swathi** (Non-Executive Director)				
	At the beginning of the year (19/01/2018#)	0	0		
	Increase / (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year			0	0
9	**Shri Sanjeev Bhatia** (Chief Financial Officer)				
	At the beginning of the year	8830	0.00		
	Increase / (Decrease) in Shareholding during the year				
	05/05/2017 - Transfer	(500)	(0.00)	8330	0.00
	08/05/2017 - Transfer	(1000)	(0.00)	7330	0.00
	01/06/2017* - Purchase (ESOP 2011)	17600	0.01	24930	0.01
	02/06/2017 – Transfer	(500)	(0.00)	24430	0.01
	05/06/2017 – Transfer	(1200)	(0.00)	23230	0.01
	05/07/2017 – Transfer	(1000)	(0.00)	22230	0.01
	14/07/2017* - Purchase (Bonus 2017)	22230	0.01	44460	0.01
	08/08/2017 – Transfer	(1000)	(0.00)	43460	0.01
	09/08/2017 – Transfer	(600)	(0.00)	42860	0.01
	04/10/2017 – Transfer	(2000)	(0.00)	40860	0.01
	06/10/2017 – Transfer	(700)	(0.00)	40160	0.01
	05/03/2018 – Transfer	(1000)	(0.00)	39160	0.01
	12/03/2018 – Transfer	(1000)	(0.00)	38160	0.01
	13/03/2018 – Transfer	(850)	(0.00)	37310	0.01
	At the end of the year			37310	0.01
10	**Shri Vijay Panwar** (Company Secretary)				
	At the beginning of the year	3030	0.00		
	Increase / (Decrease) in Shareholding during the year				
	08/05/2017 - Transfer	(200)	(0.00)	2830	0.00
	01/06/2017* - Purchase (ESOP 2011)	6000	0.00	8830	0.00
	05/06/2017 - Transfer	(200)	(0.00)	8630	0.00
	14/07/2017* - Purchase (Bonus 2017)	8630	0.00	17260	0.00
	14/08/2017 - Transfer	(1000)	(0.00)	16260	0.00
	01/09/2017 - Transfer	(100)	(0.00)	16160	0.00
	04/09/2017 - Transfer	(200)	(0.00)	15960	0.00
	03/10/2017 - Transfer	(200)	(0.00)	15760	0.00
	04/10/2017 - Transfer	(400)	(0.00)	15360	0.00
	06/10/2017 - Transfer	(100)	(0.00)	15260	0.00
	24/11/2017 - Transfer	(100)	(0.00)	15160	0.00
	27/11/2017 - Transfer	(300)	(0.00)	14860	0.00
	08/12/2017 - Transfer	(200)	(0.00)	14660	0.00
	11/12/2017 - Transfer	(100)	(0.00)	14560	0.00
	12/12/2017 - Transfer	(300)	(0.00)	14260	0.00
	19/12/2017 - Transfer	(100)	(0.00)	14160	0.00
	26/12/2017 - Transfer	(100)	(0.00)	14060	0.00
	13/03/2018 - Transfer	(300)	(0.00)	13760	0.00
	26/03/2018 - Transfer	(20)	(0.00)	13740	0.00
	28/03/2018 - Transfer	(740)	(0.00)	13000	0.00
	At the end of the year			13000	0.00

* Date of credit of shares to the demat account.
# Date of appointment as Additional Director.

Note: % of total shares in the tables under headings C, D and E is calculated on the basis of paid – up equity share capital of the Company as on respective date.

V. INDEBTEDNESS

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

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	722.75	80.03	110.76	913.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.64	-	-	9.64
Total (i+ii+iii)	**732.39**	**80.03**	**110.76**	**923.18**
Change in Indebtedness during the financial year				
• Addition	373.21	-	181.75	554.96
• Reduction	-	66.66	151.83	218.49
Net Change	**373.21**	**(66.66)**	**29.92**	**336.47**
Indebtedness at the end of the financial year				
i) Principal Amount	1102.40	13.37	140.68	1256.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.20	-	-	3.20
Total (i+ii+iii)	**1105.60**	**13.37**	**140.68**	**1259.65**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ 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	720.00	72.95	792.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	77.38	77.38
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**720.00**	**150.34**	**870.34**
	Ceiling as per the Act			7541.14

B. Remuneration to other Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri Padam Chand Gupta	Shri Muneesh Chawla*	Mrs. Sannovanda Machaiah Swathi #	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	-	-	0.00	4.40	4.00	2.40	2.00	12.80
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**-**	**-**	**0.00**	**4.40**	**4.00**	**2.40**	**2.00**	**12.80**
2	**Other Non-Executive Directors**			N.A.	N.A.	N.A.	N.A.	N.A.	
	• Fee for attending board / committee meetings	4.20	1.60	-	-	-	-	-	5.80
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	**4.20**	**1.60**	**-**	**-**	**-**	**-**	**-**	**5.80**
	Total (B)=(1+2)	**4.20**	**1.60**	**0.00**	**4.40**	**4.00**	**2.40**	**2.00**	**18.60**
	Ceiling as per the Act								754.11
	Total Managerial Remuneration (A+B)								**888.94**
	Overall Ceiling as per the Act								8295.26

* Resigned w.e.f. January 20, 2018.

\# Appointed w.e.f. January 19, 2018.

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS 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		41.23	72.95	114.18
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		26.38	77.38	103.76
3	Sweat Equity		-	-	-
4	Commission				
	- as % of		-	-	-
	- others, specify…		-	-	-
5	Others, please specify		-	-	-
	Total		**67.61**	**150.34**	**217.94**

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

The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of the operations and in its interactions with the stakeholders. The Company strongly believes that sound corporate governance practices go a long way in retaining investors trust and confidence as well as sustaining the interest of all stakeholders. The Company has always strived to adopt best corporate governance practices. The 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

The Board of Directors ("**Board**") of the Company has an optimum combination of Executive and Non-Executive Directors and not less than fifty percent of the Board comprising of Non-Executive Directors. As on March 31, 2018, the Board comprises of eight Directors (two Executive and six Non-Executive Directors including one Woman Director). All the Directors are individuals of integrity and possess relevant expertise and experience. The composition of the Board as on March 31, 2018 and category of the 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
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
Mrs. Sannovanda Machaiah Swathi*	Additional Director	Independent Director

* Appointed w.e.f. January 19, 2018.

Apart from the Promoter Directors i.e. Shri Padam Chand Gupta and Shri Balram Garg, who are brothers, none of the Directors is related to each other.

(B) INDEPENDENT DIRECTORS

All the Independent Directors of the Company fulfill the conditions of independence prescribed both in the Companies Act, 2013 as well as the SEBI (Listing Obligations and Disclosure Requirements) 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 has 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 of the Company regularly keep the Independent Directors updated about the Company, its business model, operations and the industry etc. The details of Familiarisation Programmes imparted to the Independent Directors during financial year 2017-18 are placed on the Company's website and can be accessed through the link https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/Familiarization-Programmes-during-FY-2017-18.pdf.

During the year one meeting of the Independent Directors was held on May 25, 2017, without the attendance of Non-Independent Directors and members of the management. Dr. Manohar Lal Singla, Chaired the meeting and all the Independent Directors as on that date attended the meeting.

(C) PROVISIONS AS TO THE BOARD AND THE COMMITTEES

During the year seven Board meetings were held on May 25, 2017; August 1, 2017; August 9, 2017; September 8, 2017; November 13, 2017; January 19, 2018 and March 17, 2018. The time gap between any two Board meetings did not exceed 120 days. The Directors were 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 ten committees or act as the chairman of more than five committees across all the companies in which they are Directors. All the Directors have made the disclosures regarding committee positions occupied by them.

The details of attendance of the Directors at the Board meetings, last Annual General Meeting ("**AGM**") held on September 8, 2017, along with the details of outside directorships, memberships / chairmanships of Audit Committee and Stakeholders Relationship Committee, in Indian public limited companies, as on March 31, 2018 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	7 of 7	Yes	1	Nil	Nil
Shri Balram Garg	6 of 7	Yes	3	Nil	Nil
Shri Ramesh Kumar Sharma	5 of 7	No	Nil	Nil	Nil
Dr. Manohar Lal Singla	7 of 7	Yes	Nil	Nil	Nil
Shri Krishan Kumar Khurana	7 of 7	Yes	Nil	Nil	Nil
Shri Miyar Ramanath Nayak	5 of 7	Yes	1	Nil	Nil
Shri Suresh Kumar Jain	5 of 7	Yes	4	2	Nil
Mrs. Sannovanda Machaiah Swathi*	0 of 1	Not Applicable	Nil	Nil	Nil
Shri Muneesh Chawla#	4 of 6	Yes	Not Available		

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

* Appointed w.e.f. January 19, 2018.

Ceased to be the Director w.e.f. January 20, 2018.

(D) NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY THE DIRECTORS

The number of shares and convertible instruments held in the Company by the Directors, as on March 31, 2018, are as under:

Name	Number of equity shares	Number of convertible instruments
Shri Padam Chand Gupta	10,07,43,600	Nil
Shri Balram Garg	13,39,52,100	Nil
Shri Ramesh Kumar Sharma	40,700	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
Mrs. Sannovanda Machaiah Swathi	Nil	Nil

(E) REMUNERATION OF THE DIRECTORS

The Non-Executive Directors are paid sitting fee of ₹40,000/- for attending each meeting of the Board and ₹10,000/- for attending each meeting of the Committees of the Board, as approved by the Board and within the limits prescribed under the Companies Act, 2013. 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 2017-18 are as under:

(₹ in lakhs)

Name	Sitting Fee	Salary	Bonus / Ex-gratia	Commission / Pension / ESOP / Performance Linked Incentives	Total
Shri Padam Chand Gupta	4.20	Nil	Nil	Nil	4.20
Shri Balram Garg	Nil	720.00	Nil	Nil	720.00
Shri Ramesh Kumar Sharma	Nil	67.20	5.75	77.38	150.34
Dr. Manohar Lal Singla	4.00	Nil	Nil	Nil	4.00
Shri Krishan Kumar Khurana	4.40	Nil	Nil	Nil	4.40
Shri Miyar Ramanath Nayak	2.40	Nil	Nil	Nil	2.40
Shri Suresh Kumar Jain	2.00	Nil	Nil	Nil	2.00
Shri Muneesh Chawla	1.60	Nil	Nil	Nil	1.60
Mrs. Sannovanda Machaiah Swathi	Nil	Nil	Nil	Nil	Nil

Shri Ramesh Kumar Sharma exercised 17,600 stock options under PC Jeweller Limited Employee Stock Option Plan 2011 ("**ESOP 2011**") and accordingly 17,600 equity shares were allotted to him during the year ended March 31, 2018. Further, on account of adjustments made due to corporate actions undertaken by the Company during the year, 73,950 additional stock options were granted to him under ESOP 2011. Vesting period is four years and the options granted can be exercised over a maximum period of eight years. No stock options were granted to Non-Executive Directors.

Except Shri Padam Chand Gupta, who in addition to sitting fee has also received ₹558.55 lakhs (including service tax & excluding GST) towards rent and ₹503.72 lakhs towards dividend from the Company, none of the Non-Executive Director has any pecuniary relationship or transactions vis-a-vis the Company during the year. No performance linked incentives are paid to any Director.

The appointments of Managing Director and Executive Director are governed by the resolutions passed by the Board and Members of the Company, which cover the terms and conditions of their appointment, read with the service rules of the Company. The 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.

The services of Managing Director and Executive Director may be terminated by either party, by giving the other party three months' notice or 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 has laid down a Code of Conduct for Directors and Senior Management Personnel of the Company. This Code is placed on the Company's website. All the Directors and Senior Management Personnel of the Company have 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 AND TERMS OF REFERENCE

The Committee comprises of four Directors including three Independent Directors. Dr. Manohar Lal Singla, Chairman of the Committee is an Independent Director. The Company Secretary acts as the Secretary to the Committee. All members of the Committee are financially literate and having requisite accounting or related financial management expertise. The composition of the Committee and its terms of reference are in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The role of the Committee, inter-alia, includes 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; reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval; reviewing, with the management, the quarterly financial statements before submission to the board for approval; approval or any subsequent modification of transactions of the company with related parties; reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; discussion with internal auditors of any significant findings and follow up there on; to review the functioning of the Whistle Blower mechanism; approval of appointment of CFO.

(B) MEETINGS AND ATTENDANCE

During the year five meetings of the Committe were held on May 25, 2017; August 1, 2017; November 13, 2017; January 19, 2018 and March 17, 2018. The numbers of meetings attended by the Committee members during the year are as under:

Name	Position	Category	Number of meetings attended
Dr. Manohar Lal Singla	Chairman	Independent Director	5 of 5
Shri Krishan Kumar Khurana	Member	Independent Director	5 of 5
Shri Miyar Ramanath Nayak	Member	Independent Director	4 of 5
Shri Balram Garg	Member	Executive Director	5 of 5

Dr. Manohar Lal Singla, Chairman of the Committee was present at the last Annual General Meeting of the Company held on September 8, 2017.

(II) NOMINATION AND REMUNERATION COMMITTEE

(A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of three Non-Executive Directors including two Independent Directors. Shri Krishan Kumar Khurana, Chairman of the Committee is an Independent Director. The composition of the Committee and its terms of reference are in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Committee, inter-alia, includes 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; considering and recommending grant of employees stock option, if any, and administration and superintendence of the same.

(B) MEETINGS AND ATTENDANCE

During the year five meetings of the Committee were held on May 25, 2017; August 1, 2017; September 8, 2017; November 13, 2017 and January 19, 2018. The numbers of meetings attended by the Committee members during the year are as under:

Name	Position	Category	Number of meetings attended
Shri Krishan Kumar Khurana	Chairman	Independent Director	5 of 5
Dr. Manohar Lal Singla	Member	Independent Director	5 of 5
Shri Padam Chand Gupta	Member	Non-Executive Director	5 of 5

Shri Krishan Kumar Khurana, Chairman of the Committee was present at the last Annual General Meeting of the Company held on September 8, 2017.

(C) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The process of performance evaluation of Independent Directors is based on evaluation forms, which include a rating mechanism. The criteria for annual 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 the Board / Committees and adherence to the Code of Conduct etc.

(III) STAKEHOLDERS RELATIONSHIP COMMITTEE

(A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of three Directors including one Independent Director. Shri Padam Chand Gupta, Chairman of the Committee is a Non-Executive Director. The composition of the Committee and its terms of reference are in compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

(B) MEETINGS AND ATTENDANCE

During the year four meetings of the Committee were held on May 25, 2017; August 1, 2017; November 13, 2017 and January 19, 2018. The numbers of meetings attended by the Committee members during the year are as under:

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

Shri Padam Chand Gupta, Chairman of the Committee was present at the last Annual General Meeting of the Company held on September 8, 2017.

(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, 2017	Received during the year 2017-18	Resolved during the year 2017-18	Complaints pending as on March 31, 2018
1	78	79	0

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

(IV) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of three Directors including two Independent Directors. Dr. Manohar Lal Singla, Chairman of the Committee is an Independent Director. The composition of the Committee and its terms of reference are in compliance with the Companies Act, 2013.

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 the 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.

(B) MEETINGS AND ATTENDANCE

During the year two meetings of the Committee were held on July 8, 2017 and January 19, 2018. The numbers of meetings attended by the Committee members during the year are as under:

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

(V) MANAGEMENT & FINANCE COMMITTEE

(A) COMPOSITION AND TERMS OF REFERENCE

The Committee comprises of three Directors including one Non-Executive Director. Shri Padam Chand Gupta, Chairman of the Committee is a Non-Executive Director.

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; and carrying out any other function as the Board may decide from time to time.

(B) MEETINGS AND ATTENDANCE

During the year six meetings of the Committee were held on June 1, 2017; August 3, 2017; September 15, 2017; November 17, 2017; January 17, 2018 and March 8, 2018. The numbers of meetings attended by the Committee members during the year are as under:

Name	Position	Category	Number of meetings attended
Shri Padam Chand Gupta	Chairman	Non-Executive Director	5 of 6
Shri Balram Garg	Member	Executive Director	6 of 6
Shri Ramesh Kumar Sharma	Member	Executive Director	5 of 6

(VI) SHARE TRANSFER COMMITTEE

(A) COMPOSITION AND TERMS OF REFERENCE

The Company in the Board Meeting held on August 9, 2017 re-constituted Share Transfer Committee and inducted

Shri Padam Chand Gupta as a member. The Committee comprises of three Directors including one Non-Executive Director. Shri Balram Garg is the Chairman of the Committee.

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

(B) MEETINGS AND ATTENDANCE

During the year twenty one meetings of the Committee were held on April 7, 2017; April 17, 2017; May 5, 2017; May 22, 2017; May 31, 2017; June 21, 2017; July 5, 2017; July 21, 2017; August 4, 2017; August 18, 2017; September 4, 2017; September 20, 2017; October 4, 2017; October 18, 2017; November 4, 2017; November 20, 2017; December 5, 2017; December 20, 2017; January 3, 2018; January 12, 2018 and March 9, 2018. The numbers of meetings attended by the Committee members during the year are as under:

Name	Position	Category	Number of meetings attended
Shri Balram Garg	Chairman	Executive Director	19 of 21
Shri Padam Chand Gupta	Member	Non-Executive Director	12 of 12
Shri Ramesh Kumar Sharma	Member	Executive Director	17 of 21

(VII) SECURITIES COMMITTEE

COMPOSITION, TERMS OF REFERENCE AND MEETINGS

The Committee comprises of three Directors including one Independent Director. Shri Padam Chand Gupta, Chairman of the Committee is a Non-Executive Director.

Name	Position	Category
Shri Padam Chand Gupta	Chairman	Non-Executive Director
Shri Balram Garg	Member	Executive Director
Dr. Manohar Lal Singla	Member	Independent Director

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.

During the year no meeting of the Committee was held. The Committee has been dissolved w.e.f. May 10, 2018.

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
2016-17	September 8, 2017 at 3:30 P.M.	Air Force Auditorium, Subroto Park, New Delhi-110 010	None
2015-16	September 19, 2016 at 3:30 P.M.		Re-appointment of Shri Nitin Gupta (Relative of Director) as President (Manufacturing)
2014-15	September 19, 2015 at 3:30 P.M.		1) Further issue of securities 2) Raising limit of investment by FIIs/FPIs in the Company

II) POSTAL BALLOT

During the year two Special Resolutions i.e. (1) Issue of Bonus Shares and (2) Grant of stock options under PC Jeweller Limited Employee Stock Option Plan 2011 to the employees of subsidiary company(ies), were passed on June 28, 2017 through Postal Ballot Notice dated May 25, 2017. Further, one more Special Resolution for amendment in PC Jeweller Limited Employee Stock Option Plan 2011, was passed on October 26, 2017 through Postal Ballot Notice dated September 8, 2017.

Shri Randhir Singh Sharma, Practicing Company Secretary (CP No.: 3872), was appointed as the Scrutinizer for conducting both Postal Ballot process in a fair and transparent manner. In addition to voting by Postal Ballot Form, the Company has also provided to its Members the facility to exercise their right to vote by electronic means. E-voting was optional. The Company has engaged the services of Karvy Computershare Private Limited as the Agency to provide e-voting facility. The Company has complied with the procedure for Postal Ballot in terms of Section 108 and Section 110 of the Companies Act, 2013 read with Rule 22 of the

Companies (Management and Administration) Rules, 2014. The details of voting pattern in respect of Special Resolutions passed are as under:

(1) Issue of Bonus Shares:

Category	No. of shares held (1)	No. of votes polled (2)	No. of Votes - in favour (3)	No. of Votes - against (4)	% of Votes in favour on votes polled (5)=[(3)/(2)]*100	% of Votes against on votes polled (6)=[(4)/(2)]*100
Promoters and Promoter Group	122677377	122677377	122677377	0	100.00	0.00
Public – Institutions	45120922	26829261	26829261	0	100.00	0.00
Public – Non Institutions	11339301	1319805	1319804	1	100.00	0.00
Total	**179137600**	**150826443**	**150826442**	**1**	**100.00**	**0.00**

(2) Grant of stock options under PC Jeweller Limited Employee Stock Option Plan 2011 to the employees of subsidiary company(ies):

Category	No. of shares held (1)	No. of votes polled (2)	No. of Votes - in favour (3)	No. of Votes - against (4)	% of Votes in favour on votes polled (5)=[(3)/(2)]*100	% of Votes against on votes polled (6)=[(4)/(2)]*100
Promoters and Promoter Group	122677377	122677377	122677377	0	100.00	0.00
Public – Institutions	45120922	26829261	6834444	19994817	25.47	74.53
Public – Non Institutions	11339301	1319795	1319041	754	99.94	0.06
Total	**179137600**	**150826433**	**130830862**	**19995571**	**86.74**	**13.26**

(3) Amendment in PC Jeweller Limited Employee Stock Option Plan 2011:

Category	No. of shares held (1)	No. of votes polled (2)	No. of Votes - in favour (3)	No. of Votes - against (4)	% of Votes in favour on votes polled (5)=[(3)/(2)]*100	% of Votes against on votes polled (6)=[(4)/(2)]*100
Promoters and Promoter Group	238584482	238584482	238584482	0	100.00	0.00
Public – Institutions	129077470	47645871	11164896	36480975	23.43	76.57
Public – Non Institutions	26693248	41714	40786	928	97.78	2.22
Total	**394355200**	**286272067**	**249790164**	**36481903**	**87.26**	**12.74**

Subsequent to the year end one Special Resolution for approval for the Buyback of Equity Shares was proposed through Postal Ballot Notice dated May 10, 2018. Shri Randhir Singh Sharma, Practicing Company Secretary was appointed as the Scrutinizer for conducting the entire Postal Ballot and e-voting process in a fair and transparent manner. However, before declaration of result the Board has withdrawn the buyback, hence, the resolution referred to in the aforesaid Notice has become infructuous.

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, 2018, your Company has following wholly owned non-material subsidiary and step down subsidiary companies:

(1) PC Universal Private Limited
(2) Transforming Retail Private Limited
(3) Luxury Products Trendsetter Private Limited
(4) PC Jeweler Global DMCC
(5) Comercializadora Internacional PC Jeweller International S.A.S.

None of aforesaid 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 placed on the Company's website and can be accessed through the link https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/Policy-on-Material-Subsidiary.pdf. All the subsidiary companies have their own management having the rights and obligations to manage the Company in the best interest of the stakeholders. 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. MD / 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, 2018 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 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 placed on the Company's website and can be accessed through the link https://corporate.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 have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements / provisions of applicable laws. The financial statements for the year ended March 31, 2017 were the Company's first Ind AS standalone financial statements. 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 PREFERENTIAL ISSUES

The Company disclosed to the Audit Committee, on quarterly basis, the utilisation of proceeds of two preferential issues made during the previous year. The utilization of proceeds was made in accordance with the objects stated in the explanatory statement to the notice for the general meetings. The Company has fully utilized the proceeds of both the preferential issues during the year.

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

The Company was unable to comply with Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding appointment of Woman Director on its Board for part of the year. However, after appointment of Mrs. Sannovanda Machaiah Swathi w.e.f. January 19, 2018, the Company has complied with the same.

No penalty or stricture was imposed on the Company by any Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years.

(V) WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy / Vigil Mechanism, which provides a formal mechanism for all the employees and Directors of the Company to report about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct etc. and provides reassurance that they will be protected from reprisals or victimization for whistle blowing. The policy is placed on the Company's website and can be accessed through the link https://corporate.pcjeweller.com/wp-content/uploads/2015/06/investors/corporate-governance/PCJ_Whistle%20Blower%20Policy.pdf. No personnel have been denied access to the Chairman of Audit Committee.

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

The Company has complied with the mandatory requirements of Corporate Governance stipulated in Regulations 17 {except Regulation 17(1)(a) for part of the year} to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A certificate from the Practicing Company Secretary regarding compliance with the requirements of Corporate Governance is annexed with the Directors' Report.

The Company has 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, 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'.

(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. All such derivative financial instruments are supported by an underlying stock and are not for speculation / trading.

8. MEANS OF COMMUNICATION

The quarterly, annual financial results and presentations made to financial analysts and institutional investors are filed with BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") and also placed on the Company's website www.pcjeweller.com. The results are also published in leading newspapers normally Business Standard (English and Hindi).

Quarterly shareholding patterns, transcripts of conference calls, annual reports and other important information filed by the Company with BSE and NSE from time to time are also displayed on the Company's website.

9. GENERAL SHAREHOLDER INFORMATION

(I) ANNUAL GENERAL MEETING

Day & date : Saturday, September 29, 2018
Time : 3:30 P.M.
Venue : Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110003

(II) FINANCIAL YEAR

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

(III) DATE OF BOOK CLOSURE

September 22, 2018 to September 29, 2018 (both days inclusive) for the purpose of 13th Annual General Meeting (the "**AGM**") and for determining the names of Members eligible for dividend on equity shares for the financial year 2017-18, if declared at the AGM.

(IV) DIVIDEND PAYMENT DATE

The Board of the Company has recommended a dividend of ₹0.50/- per equity share (i.e. @ 5% of face value of ₹10/- each) for the financial year 2017-18. If approved by Members at the AGM, it will be paid within 30 days from September 29, 2018 to the eligible shareholders.

The Board has also recommend a dividend of ₹1.30 per compulsorily convertible preference share (i.e. @ 13% of face value of ₹10/- each) for the period from April 1, 2017 to September 1, 2017 (i.e. till the date of conversion of compulsory convertible preference shares). If approved by Members at the AGM, it will be paid within 30 days from September 29, 2018 but prior to payment of dividend on equity shares.

(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 2018-19 to both the exchanges.

(VI) STOCK CODES

BSE (Scrip Code) : 534809
NSE (Symbol) : PCJEWELLER
ISIN of Equity Shares : INE785M01013

(VII) MARKET PRICE DATA

Monthly high and low prices of the equity shares of the Company at BSE and NSE for the year ended March 31, 2018, are as under:

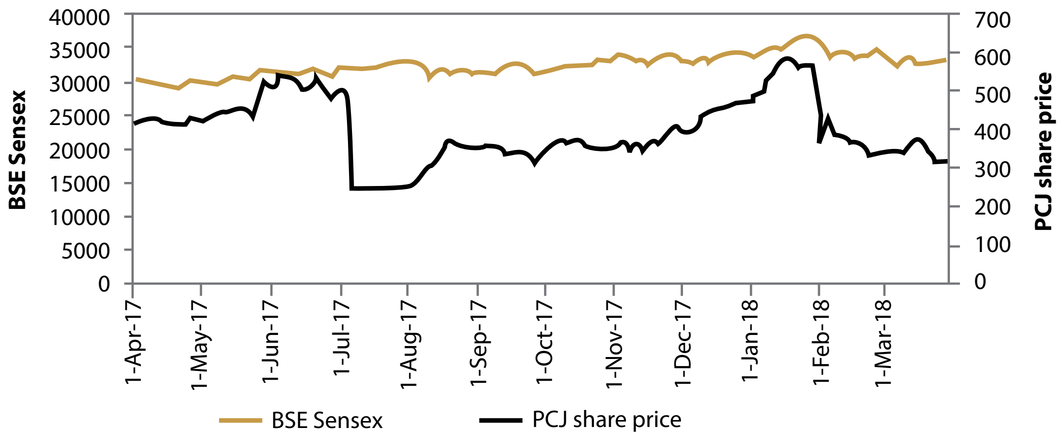
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2017	445.65	412.15	445.00	411.85
May, 2017	585.00	417.00	563.55	416.00
June, 2017	572.00	452.05	572.50	451.35
July, 2017	508.65	243.45	510.00	244.85
August, 2017	395.80	250.30	395.70	250.20
September, 2017	370.00	315.45	370.35	316.10
October, 2017	398.70	331.85	395.00	331.85
November, 2017	415.75	328.85	415.75	328.00
December, 2017	468.80	383.80	468.85	383.20
January, 2018	600.65	457.65	600.65	457.95
February, 2018	499.00	195.10	498.85	217.95
March, 2018	381.80	315.30	381.75	315.20

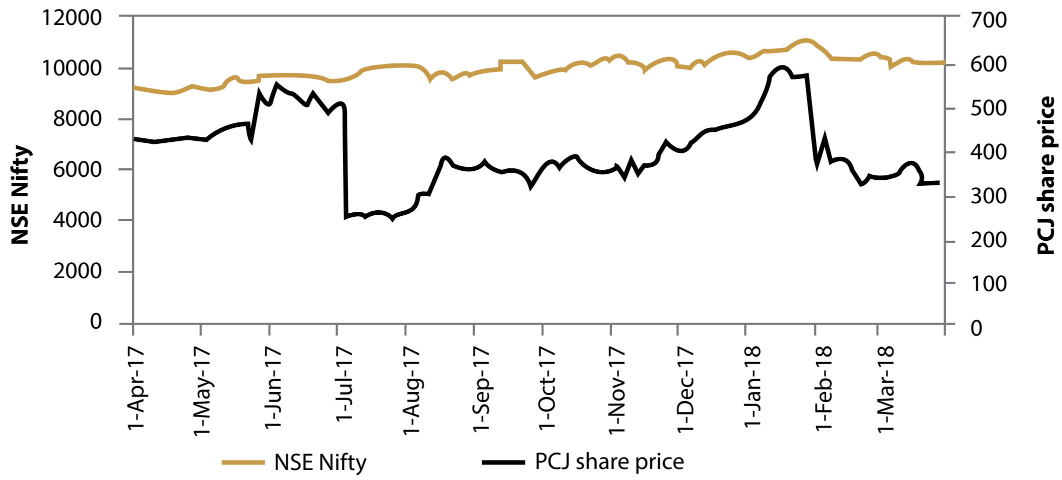
(Source: www.bseindia.com & www.nseindia.com)

Note: Pursuant to Bonus issue in the proportion of 1 : 1, the price of equity shares of the Company got adjusted w.e.f. July 6, 2017.

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

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





(IX) REGISTRAR AND TRANSFER AGENT

Karvy Computershare Private Limited ("**Karvy**")
Karvy Selenium Tower B, Plot No. 31 - 32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032 (Telangana)
Tel: 040 – 67161606, Fax: 040 – 67161791, 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 and subject to documents being found valid and complete in all respects, it submits Memorandum of Share Transfer with 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 returns the duly endorsed share certificates to the transferee(s). 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, 2018, is as under:

Number of Shares	Shareholders		Equity Shares	
	Number	As a % of total	Number	As a % of total
1 - 500	66019	95.41	5242230	1.33
501 - 1000	1571	2.27	1207820	0.31
1001 - 2000	686	0.99	1026905	0.26
2001 - 3000	195	0.28	496449	0.12
3001 - 4000	128	0.19	464412	0.12
4001 - 5000	93	0.13	433298	0.11
5001 - 10000	147	0.21	1061481	0.27
10001 & above	358	0.52	384422605	97.48
Total	**69197**	**100.00**	**394355200**	**100.00**

(XII) SHAREHOLDING PATTERN

The shareholding pattern of the Company as on March 31, 2018, is as under:

	Category of Shareholders	Number of Shareholders	Number of Equity Shares	% of Shares
A	**Promoter & Promoter Group**			
	Individuals & HUF (Indian)	5	237570300	60.24
	Total Promoter & Promoter Group Shareholding (A)	**5**	**237570300**	**60.24**
B	**Public Shareholding**			
1	**Institutions**			
a	Mutual Funds	7	2217000	0.56
b	Financial Institutions & Banks	5	8077749	2.05
c	Foreign Portfolio & Foreign Institutional Investors	237	123116094	31.22
	Sub-Total B(1)	249	133410843	33.83
2	**Non-Institutions**			
a	Bodies Corporate	562	7845101	1.99
b	Individuals & HUF	67267	13568653	3.44
c	Non Resident Indians	928	502453	0.13
d	Clearing Members, NBFC & Trusts	186	1457850	0.37
	Sub-Total B(2)	68943	23374057	5.93
	Total Public Shareholding B=B(1)+B(2)	**69192**	**156784900**	**39.76**
	Grand Total (A+B)	**69197**	**394355200**	**100.00**

(XIII) DEMATERIALIZATION OF SHARES AND LIQUIDITY

The equity 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 and Central Depository Services (India) Limited. A total number of 39,43,53,348 equity shares constituting almost 100% of the issued, subscribed and paid-up equity share capital of the Company were held in dematerialized form. The status of equity shares in dematerialized form as on March 31, 2018, is as under:

Particulars	No. of Equity Shares	(%)
National Securities Depository Limited	388298519	98.46
Central Depository Services (India) Limited	6054829	1.54

(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 in the past. During the year, the Company has allotted (1) 2,24,73,600 equity shares having face value of ₹10/- each upon conversion of 42,69,984 Compulsorily Convertible Debentures having face value of ₹1000/- each; and (2) 1,34,56,000 Equity Shares having face value of ₹10/- each, upon conversion of 25,73,72,912 Compulsorily Convertible Preference Shares of ₹10/- each. Hence, as on March 31, 2018, the Company does not have any outstanding GDRs / ADRs / Warrants / Convertible Instruments.

(XV) PLANT LOCATIONS

As on March 31, 2018, the Company is having five jewellery manufacturing units at the following locations:

(1) Plot No. 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 Industrial Area, Dehradun (Uttarakhand)
(5) First Floor, Plot No. 65, Noida Special Economic Zone, Noida (Uttar Pradesh)

(XVI) ADDRESS AND CONTACT DETAILS FOR CORRESPONDENCE

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

DECLARATION BY THE MANAGING DIRECTOR

[Under Para D of Schedule V of SEBI (LODR) Regulations, 2015]

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

I, Balram Garg, Managing Director of the Company 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, 2018.

For **PC Jeweller Limited**

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

Date: 12/05/2018
Place: New Delhi

MD / CFO CERTIFICATE

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

Sub.: Certificate 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:

(a) We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2018 and that 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) There are, to the best of our knowledge and belief, 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 material deficiencies in the design or operation of such internal controls.

(d) We have indicated to the auditors and the Audit Committee that:

  i) there are no significant changes in internal control over financial reporting during the year;

  ii) there are no significant changes in accounting policies during the year; and

  iii) there are 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: 25/05/2018
Place: New Delhi

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY OVERVIEW

The Gems & Jewellery industry has acquired prominence over the years in the country, given its dual utility of improving aesthetics as well as investment. The Gems & Jewellery sector plays a significant role in the Indian economy, contributing around 7% of the country's GDP and 15.71% to India's total merchandise exports. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India and China are the largest consumers as well as the largest manufacturers of the gold jewellery in the world. However, India is the largest player in diamond cutting and polishing. 12 out of 14 diamonds sold in the world are either polished or cut in India. A major chunk of gold jewellery manufactured in India is for domestic consumption, whereas a major portion of polished diamonds or finished diamond jewellery is exported. Moreover, India exports 75% of the world's polished diamonds, as per statistics from the Gems and Jewellery Export Promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery.

Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market. The Indian government presently allows 100% Foreign Direct Investment (FDI) in the sector through the automatic route. As per Department of Industrial Policy and Promotion (DIPP), the cumulative FDI inflows in the diamond and gold jewellery sector are USD 1,111.52 million as of December 2017.

MARKET SIZE

The Gems & Jewellery market comprises the following:

- diamond studded jewellery
- gold jewellery
- silver jewellery, and
- precious and semi-precious gemstones and its jewellery.

United States and Japan primarily are markets for diamond studded jewellery, while China, India, Turkey and Middle East have traditionally displayed preference for gold jewellery, although the demand for diamond studded jewellery from these markets too have grown over the last decade.

Diamond studded jewellery manufacturing is scattered across geographies with mid-to-low range jewellery being primarily manufactured in India and China, whereas high-end jewellery is manufactured and sourced mostly from Europe. While, high-end gold jewellery designing is carried out in countries like Italy and Turkey; jewellery manufacturing is outsourced to low cost countries like India and China. India has well-established capabilities in making hand-made ethnic jewellery, which has huge demand in countries with Indian immigrants. India has also capabilities in machine-made jewellery. Gold demand in India rose to 729.90 tonnes in 2017.

The gems and jewellery market in India is home to more than 3,00,000 players, with the majority being small players. Its market size is expected to reach USD 100 billion by 2025. It contributes 29% to the global jewellery consumption.

India's exports of gems and jewellery are composed of a variety of items like cut and polished diamonds, gold and silver jewellery, gold medallions and coins, rough diamonds etc. Cut and polished diamonds account for the highest share and gold jewellery accounts for the second highest share. India's gems and jewellery exports stood at USD 32.71 billion in FY2018. During the same period, exports of cut and polished diamonds stood at USD 23.73 billion, thereby contributing about 72.55% of the total gems and jewellery exports in value terms.

SEGMENT WISE PERFORMANCE

The Company is engaged in the business of manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items. As on March 31, 2018, the Company has 92 showrooms and 5 manufacturing facilities in India.

The Company operates in different geographical areas i.e. domestic sales and export sales. The share of domestic sales and export sales in the revenue from operations on standalone basis is ₹6,799 crores (72%) and ₹2,690 crores (28%) respectively. Further, the share of domestic sales and export sales in the profit before tax and interest on standalone basis is ₹860 crores (80%) and ₹215 crores (20%) respectively.

OPPORTUNITIES

Increasing middle class population is expected to drive growth in the future and is expected to lead to an increase in demand for gold. Also, India's population is increasingly becoming urbanised, which is expected to boost household income, thereby leading to higher demand for gold and other jewellery. The jewellery demand is also increasing steadily due to changes in its role from just being an item of adornment and as a store of value to a life style and fashion accessory.

Rising quality awareness of customers has provided a fillip to the organized retail segment, which is banking on its 'reliability' and 'quality' to compete against the highly fragmented unorganized jewellers.

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to fulfil their changing demands better than the local unorganised players.

The GST which replaced the traditional taxation structure in July 2017 has led to an increase in the formalisation of economy and has made a huge impact on the unorganized players in this sector also and has helped the organized players to grow and increase their market share.

The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.

The Government of India has also launched the Sovereign Gold Bond Scheme to reduce the country's reliance on physical gold imports to meet the investment demand for gold by retail investors.

THREATS

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

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

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

(c) Limited availability of high end retail space.

(d) The retail jewellery is a working capital intensive business and currently there are Increasing restrictions by banks over lending in this sector.

OUTLOOK

In the coming years, growth in Gems & Jewellery sector would be largely contributed by the development of large retailers/brands. At the domestic level, the organised retailers are expected to fare well, mainly due to the ongoing structural changes together with strong macro-demographic trends. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Regulatory changes introduced by the Government of India over last few years are likely to increase the preference towards branded jewellery and shift the scales in favour of organised sector at the cost of the unorganised sector. The demand for jewellery is expected to remain robust, given India's demographics and the consumer's affinity towards gold for both wedding related purchases and as store of value. Overall, India is expected to play a more important role in the global gems & jewellery sector, with diamond miners setting up auction centres in India and with significant investment seen in the retail end of the sector by domestic players, foreign players and private equity investors.

RISKS AND CONCERNS

As the Company is dealing in very high value goods / items, it is always exposed to operational risks. The Company, therefore, always ensures that its entire inventory, from raw material to finished goods is insured at all times, whether under transit, at showrooms or at the manufacturing facilities. Entire inventory is computerized and is available for tracking at all times. The Company 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 showrooms have 24 hour CCTV vigilance and armed guards.

The Company is also exposed to price risk movements both in gold as well as its forex exposure. However, it has put rigorous systems and procedures in place to take care of these concerns. The Company has in place a comprehensive risk management framework that helps in anticipating, identifying and evaluating business risks and challenges across the Company and finding ways to mitigate the same.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control system, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition. The Internal Auditors of the Company regularly carry out review of the internal control systems and procedures. The internal audit reports are periodically reviewed by Audit Committee.

The Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. 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, 2018.

There were no instances of fraud which necessitates reporting in the financial statements. Further, there have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

FINANCIAL PERFORMANCE

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements / provisions of the applicable laws. 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.

During the year under review, revenue from operations of the Company on standalone basis grew by 17% to ₹9,489 crores. The net profit after tax also registered a growth of about 32% to ₹567 crores. The salient parameters of the standalone financial performance of the Company during the year under review are as under:

(₹ in crores except earnings per share)

Particulars	2017-18	2016-17
Revenue from operations	9,488.97	8,104.58
Total revenue	9,587.93	8,213.73
Total expenses	8,817.76	7,647.33
Profit before tax	770.17	566.40
Tax expense	202.77	135.87
Net profit after tax	567.40	430.53
Total Comprehensive Income	567.90	430.45
Earnings per equity share (₹)		
- Basic	14.94	12.03
- Diluted	14.73	11.31

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company acknowledges that its principal asset is its employees. The Company believes in establishing and building a strong performance and competency driven culture amongst its employees with greater sense of accountability and responsibility. The Company has taken various steps for strengthening organizational competency through the involvement and development of employees. Ongoing in-house and external training is provided to the employees at all levels to update their knowledge and upgrade their skills and abilities. As on March 31, 2018, the Company had 3071 full time employees. The industrial relations have remained harmonious throughout the year.

References - Industry Reports, Gems & Jewellery Export Promotion Council, DIPP, www.ibef.org

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L36911DL2005PLC134929
2. Name of the Company: PC Jeweller Limited
3. Registered address: C - 54, Preet Vihar, Vikas Marg, Delhi - 110092
4. Website: www.pcjeweller.com
5. E-mail id: info@pcjeweller.com
6. Financial Year reported: April 1, 2017 to March 31, 2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Jewellery (3211 - As per NIC 2008)
8. Key products that the Company manufactures/provides (as in balance sheet): Gold and Diamond studded Jewellery
9. Total number of locations where business activity is undertaken by the Company:
   (a) Number of International locations: Nil. However, the Company has one subsidiary 'PC Jeweller Global DMCC' in Dubai and one step down subsidiary 'Comercializadora Internacional PC Jeweller International S.A.S.' in Columbia.
   (b) Number of National locations: 97 (92 showrooms, 5 manufacturing facilities)
10. Markets served by the Company: National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 394.36 crores
2. Total Turnover (INR) : 9,488.97 crores
3. Total profit after taxes (INR) : 567.40 crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Our total spending on CSR during the year was ₹5.25 crores, which is 0.96% of average net profits of last 3 financial years.
5. List of activities in which expenditure in 4 above has been incurred: Promoting education and healthcare

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?: Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(s): No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]: No

SECTION D: BR INFORMATION

1. Details of Director responsible for implementation of BR Policy and BR Head

No.	Particulars	Details
1	DIN Number	01980542
2	Name	Shri Ramesh Kumar Sharma
3	Designation	Executive Director & Chief Operating Officer
4	Telephone number	011-47104810
5	e-mail id	rksharma@pcjeweller.com

2. Principle-wise (as per NVGs) BR Policy / Policies

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Yes	No	Yes	Yes	Yes	Yes	NA	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	Yes
3	Does the policy conform to any national / international standards?#	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	Yes
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?@	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	Yes

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes	NA	Yes	Yes	Yes	Yes	NA	Yes	Yes
6	Indicate the link for the policy to be viewed online.	Most of the policies are uploaded and disseminated for information of relevant stakeholders and employees on internet / intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy?	All the relevant Policies are embedded in day-to-day business operations of the Company and are implemented at all management levels and monitored from time to time.								
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Yes								
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Yes, the management of the Company internally carried out the evaluation.								

All the policies have been formulated after detailed discussions. The policies are materially in compliance with applicable laws, rules, regulations and guidelines.

@ Some of the policies have been implemented and followed over a period of time as per industry norms and/or best practices and have not been specifically approved by the Board.

If answer to the question at Sr. No. 1 against any principle, is "No", please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	Within the overall guidance of the Board, the Policies are framed and/or modified from time to time. Some of the policies have been implemented and followed over a period of time as per industry norms and/or best practices and have not been specifically approved by the Board. Although, some of these principles have not been codified in the form of formal policies, the Company endeavours to incorporate these principles in its day to day operations and that these are followed to the maximum possible extent.								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (Please specify)									

3. GOVERNANCE RELATED TO BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –**

  The management regularly monitors the BR initiatives and assessment of BR performance is done annually, at the end of financial year.

- **Does the Company publish a BR or Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?**

  The Company has started publishing BR report from financial year 2016-17 as a part of its Annual Report. The BR report can be accessed at www.pcjeweller.com in the Investor section.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption apply only to the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?**

   Our policies under this principle include Code of Conduct for Directors & Senior Management Personnel, Vigil Mechanism / Whistle Blower Policy. The Company's policies do not apply to external stakeholders including suppliers, contractors etc., however, the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company.

2. **How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   We have not received any complaints with regard to violation of Code of Conduct for Directors & Senior Management Personnel, Vigil Mechanism / Whistle Blower Policy during the financial year 2017-18.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

The Company is engaged in the jewellery business. Jewellery generally does not lose its value. On the contrary its value increases with age. It is a fully recyclable product and can be exchanged with a new item any time. Majority of the Company's business operations includes jewellery manufactured by hand and hence requires minimal energy consumption. India has a tradition of recycling of old jewellery. The Company encourages this practice and often runs incentive schemes for customers for exchanging their old jewellery. It also gives a guarantee for assured purchase of old jewellery to its buyers.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

The Company acknowledges that its principal asset is its employees and they are the fundamental drivers of its growth. The Company is always determined for welfare of the employees.

1. Total number of employees - 3071
2. Total number of employees hired on temporary/contractual/ casual basis – Nil
3. Number of permanent women employees – 1006
4. Number of permanent employees with disabilities - 7
5. Do you have an employee association that is recognized by management? – No
6. What percentage of your permanent employees is members of this recognized employee association? – Not Applicable
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: NIL
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?:

Permanent Employees Permanent Women Employees Employee with Disabilities	The Company organizes various in-house training sessions and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skill of employees handling relevant functions, basic fire and safety training. These trainings are generally attended by majority of employees.
Casual / Temporary / Contractual Employee	Not Applicable

PRINCIPLE 4: BUSINESSES SHOULD RESPECT INTEREST OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

1. **Has the Company mapped its internal and external shareholders?**

   The Company's stakeholders include its employees, suppliers, customers, investors and regulatory authorities. The Company encourages its employees to be active in their local communities by taking part frequently in local programs and festivals.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   Yes, our disadvantaged and vulnerable stakeholders include differently abled and women employees.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.**

   The Company provides equal opportunity to differently abled and people from economically weaker background. The Company also believes in women empowerment by providing them more and more employment opportunities. All employees of the Company have equal opportunity in their career growth. The policies adopted and put in place by the Company, specifically – the CSR Policy and the Code of Conduct, defines the way ahead for the Company towards the contribution to be made towards the society and the manner in which it will conduct itself.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/contractors/NGOs/others?**

   As a socially responsible organisation, the Company is committed to protect and safeguard human rights as well as conduct its business with honesty, integrity and ethically. The human rights laws and guidelines are respected and followed across our operations. The Company acknowledges the importance of human rights and discourage practices of child labour, forced labour etc.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   The Company did not receive any complaint related to human rights during the financial year 2017-18.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to principle 6 cover only the Company or extend to the Group/Joint ventures/ suppliers/contractors/NGOS/others?**

   The Company gives prime importance to the environment for long term sustainability. The Company, on standalone basis, has undertaken to avoid wastage of papers and energy.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   No

3. **Does the company identify and assess potential environmental risks? Y/N**

   No

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No

5. **Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.**

   No

6. **Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?**

   The Company is in the business of manufacturing of jewellery, mainly manufactured by hand, which does not generate substantial emission/waste.

7. **Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   Nil

PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   The Company is a member of the following associations/ chambers:

   1. ASSOCHAM (The Associated Chambers of Commerce & Industry of India)
   2. FICCI (Federation of Indian Chambers of Commerce and Industry)
   3. GJEPC (The Gems & Jewellery Export Promotion Council)

2. **Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/ No; If yes, specify the broad areas.**

   The Company generally participates in programmes organised by these associations and supports various issues for better customer experience.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?**

   Social responsibility has always been at the forefront of the Company's operating philosophy. As a responsible corporate citizen, the Company tries to contribute towards social causes on a regular basis. The Company has in place Corporate Social Responsibility ("CSR") Policy. CSR programs or projects undertaken by the Company in terms of this Policy relate to activities listed in Schedule VII of the Companies Act, 2013.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

   The Company has undertaken CSR programs through implementing agencies.

3. **Have you done any impact assessment of your initiative?**

   Although the CSR committee supervises the programs from time to time but currently no impact assessment of initiatives has been undertaken. However, the Company may in future review the impact of its various initiatives.

4. **What is the Company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?**

   During the year, the Company has made total contribution of ₹5.25 crores in relation to the CSR activities towards promoting education and healthcare.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   We make attempts to ensure that programs continue and sustain within communities beyond our interactions. We believe building responsible citizens is of utmost importance. Consequently, we encourage our employees to be involved with and work on social and environmental projects of their choice. Further, the Company has been opening more of its new showrooms in small locations of the country and consequentially promoting employment thereat. All its showrooms contribute significantly to the local economy. The Company also outsources jewellery manufacturing to a large number of small artisans which provides them with a steady source of income.

PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases as on the end of financial year?**

   Negligible

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   The Company prides itself in being a customer centric organization. It sells 100% hallmarked jewellery to provide trust and comfort to its consumers. Additionally all its showrooms are equipped with 'Karatometers', where any customer can test purity of his/her jewellery. The Company has transparent sale and purchase policies, which are printed on its invoices. Its product packaging displays all information mandated by the applicable laws. The product pricing is also transparent and explained to the customers.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as of end of financial year?**

   There was no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company being customer centric organization, works very closely with its customers choices and keeps the consumers demands and purchasing preferences in mind, hence, keeps on creating new designs and collections at regular intervals. In addition, the Company actively takes feedback from its customers and addresses there issues, if any.

Independent Auditor's 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 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's 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 these 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 auditor's 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 these 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018 and, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The audit of the standalone financial statements for the year ended 31 March 2017 were jointly carried out and reported by Sharad Jain Associates, Chartered Accountant and us, vide unmodified report dated 25 May 2017. Our report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's 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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure A, as required by Section 143(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 Ind AS specified under Section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 25 May 2018 as per Annexure B expressed unmodified opinion; and

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

i. the Company, as detailed in note 44 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

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

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

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Anupam Kumar
Partner
Membership No.: 501531

Place: New Delhi
Date: 25 May 2018

Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2018

Annexure A

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, and to the best of our knowledge and belief, 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 'Property, plant and equipment') 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 loans to companies 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;

(c) there is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.

(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 directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provision of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), as applicable, have been complied with in respect of the deposits accepted, except for the compliance of the requirements of section 73(2)(c) of the Act where the amount maintained by the Company in a separate Deposit Repayment Reserve Account with a scheduled bank, as at 31 March 2018 is short by ₹ 1.90 crores. 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) Except for significant delay in payment of advance tax under the Income-tax Act, 1961, 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. 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 become payable are as follows:

Name of the statue	Nature of the dues	Amount (excluding interest) (₹ in crores)	Period to which the amount relates	Due date	Date of payment
Income-tax Act, 1961	Advance tax	8.82	Financial year 2017-18	15 September 2017	Not yet paid

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:

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	0.19	0.03 (Refer note below)	Assessment year ('AY') 2009-10	Income-tax Appellate Tribunal ('ITAT')
Income-tax Act, 1961	Income-tax	0.38	-	AY 2011-12	ITAT

Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2018

Name of the statute	Nature of dues	Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	0.85	-	AY 2013-14	ITAT
Income-tax Act, 1961	Income-tax	4.43	-	AY 2014-15	ITAT
Rajasthan Value Added Tax Act, 2003	Value added tax	0.05	-	Financial year ('FY') 2010-11	Rajasthan Tax Board, Ajmer ('RTB')
Rajasthan Value Added Tax Act, 2003	Value added tax	0.44	-	FY 2011-12	RTB
Rajasthan Value Added Tax Act, 2003	Value added tax	0.50	-	FY 2012-13	RTB
Rajasthan Value Added Tax Act, 2003	Value added tax	2.73	-	FY 2013-14	RTB
Rajasthan Value Added Tax Act, 2003	Value added tax	2.31	-	FY 2014-15	RTB
Rajasthan Value Added Tax Act, 2003	Value added tax	2.21	-	FY 2015-16	RTB
Customs Act, 1962	Custom duty	2.43	2.43	FY 2010-11	Principal Commissioner of Customs, New Delhi

Note

Further, vide a refund order for AY 2014-15 issued by Commissioner of Income-tax (Appeals), an additional sum of ₹ 0.19 crores has also been adjusted against the said demand by the ITAT.

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or any dues to debenture-holders during the year. Further, the Company did not have any loans or borrowings payable to the government.

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 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, provisions of clause 3(xii) of the Order are 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 Ind AS.

(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**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Anupam Kumar
Partner
Membership No.: 501531

Place: New Delhi
Date: 25 May 2018

Annexure B to the Independent Auditor's Report of even date to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2018

Annexure B

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 at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at 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 ('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, 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 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 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 controls were operating effectively as at 31 March 2018, 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 ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Anupam Kumar
Partner
Membership No.: 501531

Place: New Delhi
Date: 25 May 2018

Standalone Balance Sheet as at 31 March 2018

(₹ in crores)

		Notes	As at 31 March 2018	As at 31 March 2017
A	**Assets**			
1	**Non-current assets**			
	a) Property, plant and equipment	4	77.30	83.67
	b) Financial assets			
	i) Investments	5	133.93	133.93
	ii) Loans	6	129.50	305.75
	iii) Other financial assets	7	6.77	4.61
	c) Deferred tax assets, net	8	18.92	29.51
	d) Other non-current assets	9	27.70	29.53
	Total non-current assets		**394.12**	**587.00**
2	**Current assets**			
	a) Inventories	10	5,161.28	4,118.64
	b) Financial assets			
	i) Investments	11	18.63	9.40
	ii) Trade receivables	12	1,761.81	1,274.40
	iii) Cash and cash equivalents	13	382.74	375.88
	iv) Bank balance other than (iii) above	14	1,108.73	555.77
	v) Loans	6	32.11	22.73
	vi) Other financial assets	7	7.18	15.71
	c) Other current assets	9	94.38	257.55
	Total current assets		**8,566.86**	**6,630.08**
	Total assets		**8,960.98**	**7,217.08**
B	**Equity and Liabilities**			
1	**Equity**			
	a) Equity share capital	15	394.36	179.14
	b) Other equity	16	3,531.44	3,187.64
	Total equity		**3,925.80**	**3,366.78**
	Liabilities			
2	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	17	29.50	57.70
	b) Provisions	18	6.42	6.15
	Total non-current liabilities		**35.92**	**63.85**
3	**Current liabilities**			
	a) Financial liabilities			
	i) Borrowings	19	1,024.97	633.97
	ii) Trade payables	20	3,561.18	2,806.97
	iii) Other financial liabilities [other than those specified in item (c)]	21	104.94	140.08
	b) Other current liabilities	22	185.49	142.44
	c) Provisions	18	2.23	0.88
	d) Current tax liabilities (net)	23	120.45	62.11
	Total current liabilities		**4,999.26**	**3,786.45**
	Total liabilities		**5,035.18**	**3,850.30**
	Total equity and liabilities		**8,960.98**	**7,217.08**

Notes 1 to 51 form an integral part of these standalone financial statements.

This is the standalone balance sheet referred to in our report of even date

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/
Balram Garg
Managing Director
DIN-00032083

Sd/
Anupam Kumar
Partner
Membership No. 501531

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 25 May 2018

PCJ
Jeweller for generations

Standalone Statement of Profit and Loss for the year ended 31 March 2018

(₹ in crores)

		Notes	Year ended 31 March 2018	Year ended 31 March 2017
1	**Revenue from operations**	24	9,488.97	8,104.58
2	Other income	25	98.96	109.15
3	**Total income (1+2)**		**9,587.93**	**8,213.73**
4	**Expenses**			
	a) Cost of materials consumed	26	8,830.81	7,220.88
	b) Purchases of stock-in-trade	27	318.08	188.76
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(1,006.42)	(337.28)
	d) Excise duty		3.47	5.14
	e) Employee benefits expense	29	89.69	78.60
	f) Finance costs	30	301.29	274.71
	g) Depreciation and amortisation expense	31	20.46	22.01
	h) Other expenses	32	260.38	194.51
	Total expenses		**8,817.76**	**7,647.33**
5	**Profit before tax (3-4)**		**770.17**	**566.40**
6	Tax expense			
	a) Current tax	33	198.65	121.69
	b) Deferred tax	8	4.12	14.18
	Total tax expense		**202.77**	**135.87**
7	**Profit for the year**		**567.40**	**430.53**
8	Other comprehensive income:			
	Items that will not be reclassified to profit or loss:			
	(i) Remeasurement of post employment benefit obligations		0.76	(0.13)
	(ii) Income-tax relating to items that will not be reclassified to profit or loss		(0.26)	0.05
	Other comprehensive income for the year, net of tax		**0.50**	**(0.08)**
9	**Total comprehensive income for the year (7+8)**		**567.90**	**430.45**
10	Earnings per equity share: (face value of ₹ 10 per share)	34		
	Basic earnings per share (in ₹)		14.94	12.03
	Diluted earnings per share (in ₹)		14.73	11.31

Notes 1 to 51 form an integral part of these standalone financial statements.

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

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/
Balram Garg
Managing Director
DIN-00032083

Sd/
Anupam Kumar
Partner
Membership No. 501531

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 25 May 2018

Standalone Statement of Changes in Equity for the year ended 31 March 2018

A Equity share capital:

(₹ in crores)

Particulars	Note	No. of shares	Amount
Issued, subscribed and fully paid up			
Equity shares of ₹ 10 each			
Balance as at 1 April 2016	**15**	**179,100,000**	**179.10**
Changes in equity share capital during the year		37,600	0.04
Balance as at 31 March 2017	**15**	**179,137,600**	**179.14**
Changes in equity share capital during the year		215,217,600	215.22
Balance as at 31 March 2018	**15**	**394,355,200**	**394.36**

B Other equity:

(₹ in crores)

Particulars	Reserves and surplus						
	Equity component of preference shares	Equity component of debentures	Securities premium reserve	General reserve	Share options outstanding account	Retained earnings	Total
Balance as at 1 April 2016	**-**	**-**	**518.17**	**54.54**	**8.02**	**1,650.32**	**2,231.05**
Profit for the year	-	-	-	-	-	430.53	430.53
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	(0.08)	(0.08)
Total comprehensive income for the year	**-**	**-**	**518.17**	**54.54**	**8.02**	**2,080.77**	**2,661.50**
Share option expense for the year	-	-	-	-	5.87	-	5.87
Issue of compulsorily convertible preference shares (net of transaction cost)	226.32	-	-	-	-	-	226.32
Issue of compulsorily convertible debentures	-	364.98	-	-	-	-	364.98
Transactions with owners in their capacity as owners:							
Issue of equity shares	-	-	1.18	-	-	-	1.18
Dividends distributed to equity shareholders	-	-	-	-	-	(60.00)	(60.00)
Dividend distribution tax on dividend paid to equity shareholders	-	-	-	-	-	(12.21)	(12.21)
Balance as at 31 March 2017	**226.32**	**364.98**	**519.35**	**54.54**	**13.89**	**2,008.56**	**3,187.64**
Profit for the year	-	-	-	-	-	567.40	567.40
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	0.50	0.50
Total comprehensive income for the year	**226.32**	**364.98**	**519.35**	**54.54**	**13.89**	**2,576.46**	**3,755.54**
Conversion of compulsorily convertible preference shares into equity	(226.32)	-	-	-	-	-	(226.32)
Conversion of compulsorily convertible debentures into equity	-	(364.98)	-	-	-	-	(364.98)
Security premium on conversion of compulsorily convertible debentures into equity	-	-	353.75	-	-	-	353.75
Security premium on conversion of compulsorily convertible preference shares into equity	-	-	212.87	-	-	-	212.87
Share option expense for the year	-	-	-	-	1.48	-	1.48
Gain on early conversion of compulsorily convertible debentures into equity (net of deferred tax of ₹6.21 crores)	-	-	-	-	-	11.75	11.75
Transactions with owners in their capacity as owners:							
Issue of bonus shares	-	-	(190.45)	-	-	-	(190.45)
Issue of equity shares	-	-	3.31	-	-	-	3.31
Dividends distributed to equity shareholders	-	-	-	-	-	(17.92)	(17.92)
Dividend distribution tax on dividend paid to equity shareholders	-	-	-	-	-	(3.65)	(3.65)
Dividend distribution tax on dividend paid to preference shareholders	-	-	-	-	-	(3.94)	(3.94)
Balance as at 31 March 2018	**-**	**-**	**898.83**	**54.54**	**15.37**	**2,562.70**	**3,531.44**

Notes 1 to 51 form an integral part of these standalone financial statements.
This is the standalone statement of changes in equity referred to in our report of even date

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Anupam Kumar
Partner
Membership No. 501531

Sd/-
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/-
Balram Garg
Managing Director
DIN-00032083

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 25 May 2018

Standalone Cash flow statement for the year ended 31 March 2018 (Indirect method)

(₹ in crores)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A	**Cash flow from operating activities:**		
	Profit before tax	770.17	566.40
	Adjustments for:		
	Depreciation and amortisation	20.46	22.01
	Share based payments to employees	4.80	7.06
	Interest income on fixed deposit	(47.32)	(15.74)
	Interest income on loans given to subsidiaries and body corporate	(16.68)	(25.39)
	Net profit on disposal of property, plant and equipment	(0.05)	(0.06)
	Income from investments	(0.91)	(1.25)
	Finance costs	301.29	274.71
	Unwinding of discount on security deposits	1.02	0.35
	Unrealised gain on foreign exchange	(23.26)	(53.70)
	Actuarial loss/(gain) forming part of other comprehensive income	0.76	(0.13)
	Adjustment due to fair valuation of gold loan at unfixed prices	(5.68)	(2.70)
	Fair valuation adjustment of forwards contracts	0.49	0.54
	Straight lining of lease expense	(0.22)	(1.39)
	Interest expense on compulsorily convertible debentures	(24.92)	(51.98)
	Interest expense on compulsorily convertible preference shares	2.40	2.15
	Operating profit before working capital changes	**982.35**	**720.88**
	Adjustments for:		
	Increase in inventories	(1,042.64)	(255.45)
	Decrease in financial assets	6.51	32.49
	Decrease in non-financial assets	167.96	109.77
	Increase in trade receivables	(443.05)	(392.84)
	Increase in trade payables	739.58	693.46
	Increase in financial liabilities	21.10	4.25
	Increase in non-financial liabilities	43.28	93.39
	Increase in provisions	1.62	2.21
	Cash generated from operating activities	**476.71**	**1,008.16**
	Direct taxes paid	(140.31)	(181.49)
	Net cash generated from operating activities	**336.40**	**826.67**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment including capital advances	(17.19)	(15.51)
	Proceeds from disposal of property, plant and equipment	0.18	0.07
	Investment in shares of subsidiary	-	(133.86)
	Proceeds from redemption of current investments, net	(8.32)	(0.05)
	Loans repaid by/(given to) body corporate including subsidiary companies	177.10	(159.16)
	Interest received	50.46	18.52
	Purchase of fixed deposits, net	(552.11)	(354.60)
	Net cash used in investing activities	**(349.88)**	**(644.59)**

(₹ in crores)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
C Cash flow from financing activities:		
Repayment/(proceeds) long term loans, net of repayments	(11.35)	427.29
Proceeds from issue of compulsorily convertible preference shares	-	254.49
Proceeds from allotment of employee stock options	0.08	0.04
Proceeds/(repayment) of short term borrowings, net	391.00	(247.92)
Dividends paid including corporate dividend tax	(44.85)	(72.21)
Interest paid	(314.54)	(260.56)
Net cash (used in)/generated from financing activities	**20.34**	**101.13**
Net increase in cash and cash equivalents (A+B+C)	6.86	283.21
Cash and cash equivalents at the beginning of the year	375.88	92.67
Cash and cash equivalents at the end of the year (refer note 13)	**382.74**	**375.88**

Notes 1 to 51 form an integral part of these standalone financial statements.

This is the standalone cash flow statement referred to in our report of even date

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/-
Balram Garg
Managing Director
DIN-00032083

Sd/-
Anupam Kumar
Partner
Membership No. 501531

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 25 May 2018

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2018

1. Corporate information

Nature of operations

PC Jeweller Limited (the 'Company') was incorporated on 13 April 2005. The Company is engaged in the business of manufacturing, sale and trading of gold jewellery, diamond studded jewellery and silver items. The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE).

General information and statement of compliance with Ind AS

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('the Act') Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/ provisions of applicable laws.

The standalone financial statements for the year ended 31 March 2018 were authorised and approved for issue by the Board of Directors on 25 May 2018. Revisions to standalone financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

2. Application of new and revised Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised have been considered in preparing these standalone financial statements.

Standards issued but not effective

On 28 March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' and Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates'. The effective date for adoption is financials periods beginning on or after 01 April 2018.

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establish the principles whereby an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity shall be required to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The standard permits two possible methods of transition:

(a) Retrospective approach- The standard shall be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

(b) Retrospective with cumulative effect of initial application of the standard recognised at the date of initial application (Cumulative catch-up transition method)

The Company is examining the methods of transition to be adopted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B, Foreign currency transactions and advance consideration to Ind AS 21:

Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will be effective on financials periods beginning on or after 01 April 2018. The Company is evaluating the requirements of the aforementioned amendment/standard and does not expect the impact to be material.

3. Summary of significant accounting policies

a) Overall consideration

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

Basis of preparation

The standalone financial statements have been prepared on a going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities which have been measured at fair value (refer note 40 for further details); and

- Share based payments which are measured at fair value of the options at the grant date

The financial statements of the Company are presented in Indian Rupees (₹), which is also its financial currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirements

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2018

of schedule III to the Act, unless otherwise stated.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Foreign currency translation

Initial recognition

Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

d) Revenue recognition

Sale of goods

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. 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. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction. Revenue is recorded net of any discounts and gifts provided by the Company.

Interest and dividend income

Interest income is recognised on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

e) Property, plant and equipment

Recognition and initial measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on written-down value, computed on the basis of useful lives (as set out below) prescribed in Schedule II of the Act:

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2018

Asset category	Estimated useful life (in years)
Buildings	30
Plant and equipment	15
Office equipment	5
Computers	3 for data processing units and 6 for servers
Furniture and fixtures	10
Vehicles	8 for motor cars and 10 for scooters

Leasehold improvements have been amortised over the estimated useful life of the assets or the period of lease, whichever is lower. The residual values, useful lives and method of depreciation and amortisation are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

f) Leased assets

Company as a lessee

Operating leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

The Company does not execute any leases as a lessor.

g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

h) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

i. Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All the debt instruments of the Company are measured at amortised cost.

ii. Mutual funds – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2018

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income-tax effects, and not subsequently re-measured.

Derivative contracts and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Company enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative. The Company designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices in USD.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Changes in fair value of the hedging instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged item.

Other derivatives

The Company also uses foreign exchange forward contracts to hedge its exposure towards foreign currency. These foreign exchange forward contracts are not used for trading or speculation purposes. A derivative contract is recognised as an asset or a liability on the commitment date. Outstanding derivative contracts as at reporting date are fair valued and recognised as financial asset/financial liability, with the resultant gain/(loss) being recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2018

Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Company applies approach permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

j) Inventories

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 and 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 costs of completion and estimated costs necessary to make the sale.

k) Income Taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income-tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity).

Deferred income-tax is calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity).

l) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than three months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

m) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

n) Post-employment, long term and short term employee benefits

Defined contribution plans

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.

Defined benefit plans

Gratuity is a post-employment benefit defined under

The Payment of Gratuity Act, 1972 and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to the statement of profit and loss in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

o) Share based payments

Employee stock option plan

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

p) Operating expenses

Operating expenses are recognised in the statement of profit and loss upon utilisation of the service or as incurred.

q) Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

r) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

s) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2018

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

u) Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

v) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements and estimates

The following are significant management judgements and estimates in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 4: Property, Plant and equipment

(₹ in crores)

Particulars	Freehold land	Buildings	Leasehold improve-ments	Plant and equip-ment	Office equip-ment	Comput-ers	Furni-ture and fixtures	Vehicles	Total
Gross block									
As at 1 April 2016	**7.58**	**3.11**	**66.62**	**5.00**	**16.79**	**2.80**	**5.21**	**4.89**	**112.00**
Additions	-	-	8.08	0.08	3.93	1.65	0.85	1.34	15.93
Disposals	-	-	-	-	-	-	-	(0.24)	(0.24)
As at 31 March 2017	**7.58**	**3.11**	**74.70**	**5.08**	**20.72**	**4.45**	**6.06**	**5.99**	**127.69**
Additions	-	-	6.26	0.49	3.55	0.86	0.52	2.54	14.22
Disposals	-	-	-	-	-	-	-	(1.39)	(1.39)
As at 31 March 2018	**7.58**	**3.11**	**80.96**	**5.57**	**24.27**	**5.31**	**6.58**	**7.14**	**140.52**
Accumulated depreciation									
As at 1 April 2016	**-**	**0.29**	**10.73**	**1.03**	**6.94**	**1.15**	**1.10**	**0.88**	**22.12**
Charge for the year	-	0.27	11.90	0.65	5.63	1.00	1.17	1.39	22.01
Reversal on disposals	-	-	-	-	-	-	-	(0.11)	(0.11)
As at 31 March 2017	**-**	**0.56**	**22.63**	**1.68**	**12.57**	**2.15**	**2.27**	**2.16**	**44.02**
Charge for the year	-	0.24	11.05	0.61	4.74	1.10	1.06	1.66	20.46
Reversal on disposals	-	-	-	-	-	-	-	(1.26)	(1.26)
As at 31 March 2018	**-**	**0.80**	**33.68**	**2.29**	**17.31**	**3.25**	**3.33**	**2.56**	**63.22**
Net block:									
As at 31 March 2018	7.58	2.31	47.28	3.28	6.96	2.06	3.25	4.58	77.30
As at 31 March 2017	7.58	2.55	52.07	3.40	8.15	2.30	3.79	3.83	83.67

Note:
The amount of contractual commitments for the acquisition of property, plant and equipment, but not recognised as a liability as at 31 March 2018 was ₹ 1.03 crores (31 March 2017 ₹ 0.64 crores).

Note 5: Non-current financial assets - investments

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Investments in equity instruments (unquoted) - fully paid up - at cost		
In wholly owned subsidiary companies		
PC Universal Private Limited	0.05	0.05
50,000 (31 March 2017: 50,000) equity shares of ₹ 10 each		
Transforming Retail Private Limited	0.01	0.01
10,000 (31 March 2017: 10,000) equity shares of ₹ 10 each		
Luxury Products Trendsetter Private Limited	0.01	0.01
10,000 (31 March 2017: 10,000) equity shares of ₹ 10 each		
PC Jeweller Global DMCC	133.86	133.86
73,400 (31 March 2017: 73,400) equity shares of AED 1,000 each		
	133.93	**133.93**
Aggregate amount of unquoted investments	133.93	133.93

Note 6: Financial assets - loans

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
(Unsecured and considered good)				
Security deposits	31.69	-	30.84	-
Loan to subsidiaries (refer note (a) below and note 37)	89.55	31.34	266.37	21.96
Loan to other body corporate (refer note (a) below)	8.26	0.77	8.54	0.77
Total	**129.50**	**32.11**	**305.75**	**22.73**

(a) Loans have been given to Shivani Sarees Private Limited, PC Universal Private Limited and Luxury Products Trendsetter Private Limited for business purposes.

PCJ
Jeweller for generations

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 7: Other financial assets

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
(Unsecured and considered good)				
Deposits with maturity of more than 12 months (refer note (a) below)	6.77	-	3.48	-
Foreign currency receivables, net	-	7.16	-	13.51
Others	-	0.02	1.13	2.20
Total	**6.77**	**7.18**	**4.61**	**15.71**
(a) Held as margin money for procurement of gold from suppliers against letter of credit.	6.61	-	3.48	-

Note 8: Deferred tax assets, net

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Deferred tax asset arising on account of		
Difference between accounting base and tax base of property, plant and equipment	13.34	10.90
Provision for employee benefits	3.01	2.20
Deferred lease rent	1.90	1.45
Provision for discount	4.46	2.17
Financial assets and liabilities at amortised cost	0.60	0.60
Fair valuation of derivatives	0.40	0.23
Compound instruments	-	14.85
	23.71	**32.40**
Deferred tax liability arising on account of		
Financial assets at fair value through profit or loss	(0.45)	(0.56)
Valuation of inventory	(4.34)	(2.33)
	(4.79)	**(2.89)**
Net deferred tax assets	**18.92**	**29.51**

(a) Changes in deferred tax assets and deferred tax liabilities from 1 April 2017 to 31 March 2018

(₹ in crores)

Particulars	Opening balance as on 1 April 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2018
Deferred tax asset arising on account of					
Difference between accounting base and tax base of property, plant and equipment	10.90	2.44	-	-	13.34
Provision for employee benefits	2.20	1.07	(0.26)	-	3.01
Deferred lease rent	1.45	0.45	-	-	1.90
Provision for discount	2.17	2.29	-	-	4.46
Financial assets and liabilities at amortised cost	0.60	-	-	-	0.60
Fair valuation derivatives	0.23	0.17	-	-	0.40
Compound instruments (refer note below)	14.85	(8.64)	-	(6.21)	-
	32.40	**(2.22)**	**(0.26)**	**(6.21)**	**23.71**
Deferred tax liability arising on account of					
Financial assets at fair value through profit or loss	(0.56)	0.11	-	-	(0.45)
Valuation of inventory	(2.33)	(2.01)	-	-	(4.34)
	(2.89)	**(1.90)**	**-**	**-**	**(4.79)**
Net deferred tax assets	**29.51**	**(4.12)**	**(0.26)**	**(6.21)**	**18.92**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note

During the year, the Company has converted compulsorily convertible debentures (CCDs) into equity earlier than its due date of conversion and therefore, the deferred tax on the outstanding liability portion of CCDs, amounting to ₹ 6.21 crores has been transferred to retained earnings.

(b) Changes in deferred tax assets and deferred tax liabilities from 1 April 2016 to 31 March 2017

(₹ in crores)

Particulars	Opening balance as on 1 April 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2017
Deferred tax asset arising on account of					
Difference between accounting base and tax base of property, plant and equipment	8.62	2.28	-	-	10.90
Provision for employee benefits	1.33	0.82	0.05		2.20
Deferred lease rent	1.66	(0.21)	-	-	1.45
Provision for discount	0.32	1.85	-	-	2.17
Financial assets and liabilities at amortised cost	0.48	0.12	-	-	0.60
Fair valuation derivatives	0.04	0.19	-	-	0.23
Compound instruments (refer note below)	-	(17.98)	-	32.83	14.85
	12.45	**(12.93)**	**0.05**	**32.83**	**32.40**
Deferred tax liability arising on account of					
Financial assets at fair value through profit or loss	(0.25)	(0.31)	-	-	(0.56)
Valuation of inventory	(1.39)	(0.94)	-	-	(2.33)
	(1.64)	**(1.25)**	**-**	**-**	**(2.89)**
Net deferred tax assets	**10.81**	**(14.18)**	**0.05**	**32.83**	**29.51**

Note

a. Deferred tax asset amounting ₹32.83 crores relating to liability component of compound financial instruments has been directly recognised in other equity.

Note 9: Other assets

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	**Current**	**Non-current**	**Current**
Capital advances	3.43	-	0.45	-
Advances to suppliers	-	38.01	-	248.26
Balances with statutory authorities	3.18	41.57	3.94	2.64
Prepaid expenses	21.09	4.34	23.91	4.83
Others	-	10.46	1.23	1.82
Total	**27.70**	**94.38**	**29.53**	**257.55**

Note 10: Inventories

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Raw materials	684.77	648.55
Work-in-progress	2,179.52	1,108.05
Finished goods	2,270.52	2,335.63
Stock-in-trade	26.47	26.41
	5,161.28	**4,118.64**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 11: Current financial assets - investments

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Investment in mutual funds (quoted) - at fair value through profit and loss		
Bank of India AXA Capital Protection Oriented Fund Series-5 (31 March 2018: 599,990 units, 31 March 2017: 599,990 units)	0.68	0.64
Kotak Capital Protection Oriented Scheme Series-1 Regular Growth Plan (31 March 2018: 100,000 units, 31 March 2017: 100,000 units)	0.12	0.11
ICICI Prudential Capital Protection Oriented Fund Series IV Regular Growth Plan (31 March 2018: 120,000 units, 31 March 2017: 120,000 units)	0.19	0.17
State Bank of India Equity Opportunities Fund Series 1- Regular Growth Plan (31 March 2018: nil, 31 March 2017: 2,000,000 units)	-	2.84
State Bank of India Equity Opportunities Fund Series 2- Regular Growth Plan (31 March 2018: nil, 31 March 2017: 500,000 units)	-	0.62
Canara Robeco Capital Protection Oriented Fund Series 3 Regular Growth Plan (31 March 2018: nil, 31 March 2017: 14,999,400 units)	-	1.83
Canara Robeco Capital Protection Oriented Fund Series 5 Regular Growth Plan (31 March 2018: 1,129,700 units, 31 March 2017: 1,129,700 units)	1.29	1.22
HDFC Top 200 Fund-Growth Plan (31 March 2018: 4,661 units, 31 March 2017: nil)	0.20	-
HDFC CPO III - 1173D January 2015 - Regular Growth Plan (31 March 2018: 200,000 units, 31 March 2017: 200,000 units)	0.24	0.23
ICICI Prudential Capital Protection Oriented Fund Series VI Plan (31 March 2018: nil, 31 March 2017: 150,000 units)	-	0.18
State Bank of India Dual Advantage Fund Series III - Regular Growth Plan (31 March 2018: nil, 31 March 2017: 100,000 units)	-	0.12
Bank of India AXA Corporate Credit Spectrum Fund- Regular Growth Plan (31 March 2018: 541,158, 31 March 2017: 541,158 units)	0.72	0.78
Canara Robeco Capital Protection Oriented Fund Series 7 Regular Growth Plan (31 March 2018: 750,000 units, 31 March 2017: 750,000 units)	0.82	0.66
Canara Robeco Capital Protection Oriented Fund Series 8 Regular Growth Plan (31 March 2018: 1,500,000 units, 31 March 2017: nil)	1.57	-
Canara Robeco balanced - Regular Growth Plan (31 March 2018: 130,765 units, 31 March 2017: nil)	1.89	-
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth Plan (31 March 2018: 600,000 units, 31 March 2017: nil)	0.60	-
Bank of India AXA Short Term Income Fund- Regular Growth Plan (31 March 2018: 269,826 units, 31 March 2017: nil)	0.51	-
ICICI Prudential Corporate Bond Fund - Regular Growth Plan (31 March 2018: 71,825 units, 31 March 2017: nil)	0.19	-
Union Focussed Largecap Fund Regular Growth Plan (31 March 2018: 1,007,438 units, 31 March 2017: nil)	1.03	-
State Bank of India dual advantage fund - Series - XXIII Regular Growth Plan (31 March 2018: 1,500,000 units, 31 March 2017: nil)	1.54	-
State Bank of India Magnum Balanced Fund - Regular Growth Plan (31 March 2018: 327,145 units, 31 March 2017: nil)	4.01	-
Union Capital Protection Oriented Fund Series 8- Regular Growth Plan (31 March 2018: 1,500,000 units, 31 March 2017: nil)	1.53	-
Union Asset Allocation Fund Growth Plan (31 March 2018: 989,531 units, 31 March 2017: nil)	1.50	-
	18.63	9.40
Aggregate amount of quoted investments and market value thereof	**18.63**	**9.40**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 12: Trade receivables

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
(Unsecured and considered good)		
Receivables from related parties (refer note 37)	8.31	4.38
Others	1,753.50	1,270.02
	1,761.81	**1,274.40**

Note 13: Cash and cash equivalents

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Balances with banks - in current accounts	193.80	326.47
Cheques and drafts on hand	141.54	0.32
Cash on hand	30.39	49.09
Deposits with original maturity of less than 3 months	17.01	-
	382.74	375.88

Note 14: Other bank balances

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Deposits with maturity of more than 3 months but less than 12 months (refer note a & b below)	1,108.68	555.72
Unclaimed dividend account (refer note c below)	0.05	0.05
	1,108.73	**555.77**
(a) Held as margin money for procurement of gold from suppliers against letter of credit.	1,061.61	555.72
(b) Inter-alia includes deposits of ₹19.19 crores which are earmarked.		
(c) Not due for deposit to the Investor Education and Protection Fund.		

Note 15: Equity share capital

(₹ in crores)

		Number of shares	Amount
a)	**Authorised share capital**		
	Equity shares of ₹ 10 each		
	Total authorised equity share capital as at 1 April 2016	225,000,000	225.00
	Increase during the year	15,000,000	15.00
	Total authorised equity share capital as at 31 March 2017	**240,000,000**	**240.00**
	Increase during the year	200,000,000	200.00
	Total authorised equity share capital as at 31 March 2018	**440,000,000**	**440.00**
	Preference shares of ₹ 10 each		
	Total authorised preference share capital as at 1 April 2016	-	-
	Increase during the year	260,000,000	260.00
	Total authorised preference share capital as at 31 March 2017	**260,000,000**	**260.00**
	Increase during the year	-	-
	Total authorised preference share capital as at 31 March 2018	**260,000,000**	**260.00**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Issued, subscribed and paid-up share capital:

(₹ in crores)

	Number of shares	Amount
Equity shares of ₹ 10 each		
Balance as at 1 April 2016	179,100,000	179.10
Issued on exercise of employee stock options	37,600	0.04
Balance as at 31 March 2017	**179,137,600**	**179.14**
Issued on exercise of employee stock options	75,200	0.08
Issue of bonus shares	179,212,800	179.21
Conversion of compulsorily convertible debentures into equity shares	22,473,600	22.47
Conversion of compulsorily convertible preference shares into equity shares*	13,456,000	13.46
Shares issued and fully paid as at 31 March 2018	**394,355,200**	**394.36**
Preference shares of ₹ 10 each		
Balance as at 1 April 2016	-	-
Increase during the year*	257,372,912	257.37
Balance as at 31 March 2017	**257,372,912**	**257.37**
Converted into equity shares*	257,372,912	257.37
Balance at the end of the year	-	-

*During the previous year, the Company had issued compulsorily convertible preference shares ('CCPS'). CCPS are compound financial instruments and in accordance with Ind AS, the Company had bifurcated amount so received into equity and liability components. The liability component amounting to ₹ 28.48 crores was reflected in borrowings and equity component (net of transaction cost of ₹ 2.57 crores) amounting to ₹ 226.32 crores was reflected in other equity

An amount of ₹ 2.40 crore (previous year ₹ 2.15 crore) has been recorded as finance cost on the liability component. In the current year, the aforementioned Compulsorily Convertible Preference Shares (CCPS) have been converted into 13,456,000 equity shares as per terms of the agreement.

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 equity shareholders.

Terms and rights attached to preference shares

During the year, the entire CCPS got converted into 13,456,000 equity shares of the company having face value of ₹10 each per terms of the agreement. However, the preference shareholders shall receive a mandatory dividend of 13% per annum which shall be paid on 30 September 2018 as per terms agreed.

c) Shares reserved for issue under options

(i) 3,461,867 equity shares are reserved for the issue under the Employees' stock option plan of the Company. Information relating to Employees' stock option plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 36.

(ii) During the previous year, the Company had issued compulsorily convertible debentures to be converted to equity shares within stipulated time. Per terms of the agreement, the same got converted to 22,473,600 equity shares of the Company having face value of ₹10 each during the current year.

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

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 10 each				
Mr. Balram Garg	133,952,100	33.97%	66,976,050	37.39%
Mr. Padam Chand Gupta	100,743,600	25.55%	50,371,800	28.12%
IDRIA Limited	-**	-**	9,075,718	5.07%
	234,695,700	**59.52%**	**126,423,568**	**70.58%**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

*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.

**Stake reduced to less than 5% of the shares of the Company.

e) The shareholders of the Company approved the issue of 179,212,800 equity shares as bonus shares which were subsequently alloted on 10 July 2017. Further the Company has allotted 11,236,800 equity shares as bonus shares on 19 August 2017 on conversion of compulsorily convertible debentures. Other than this, the Company has not issued any shares pursuant to contract without payment being received in cash, or allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the date of balance sheet.

Note 16: Other equity

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Retained earnings	2,562.70	2,008.56
General reserve	54.54	54.54
Securities premium reserve	898.83	519.35
Share options outstanding account	15.37	13.89
Equity component of compulsorily convertible debentures (including deferred tax of Rs 32.83 crores)	-	364.98
Equity component of compulsorily convertible preference shares	-	226.32
	3,531.44	**3,187.64**

Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

General reserve

Under the Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules,1975. Consequent to introduction of the Act, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

Share options outstanding account

The reserve account is used to recognise the grant date fair value of options issued to employees under employee stock option plan, over the vesting period.

Equity component of compulsorily convertible debenture

During the previous year, the Company had issued 4,269,984 compulsorily convertible debentures (CCDs) having face value of ₹ 1,000 each and in accordance with Ind AS, the Company had bifurcated amount so received into equity and liability components. The aforementioned CCDs has been converted into 22,473,600 equity shares having face value of ₹ 10 each during the current year.

Equity component of compulsorily convertible preference shares

During the previous year, the Company had issued 257,372,912 Compulsorily Convertible Preference Shares (CCPS) having face value of ₹ 10 each and in accordance with Ind AS, the Company had bifurcated amount so received into equity and liability components. The aforementioned CCPS have been converted into 13,456,000 equity shares of the Company as per terms of the agreement.

Note 17: Non-current financial liabilities - borrowings

(₹ in crores)

	Interest rate	Maturity date	As at 31 March 2018	As at 31 March 2017	Remarks
Secured					
Vehicle loans	8.80%-10.65%	May 2024	3.19	2.03	Refer note (i)
Term loans from banks	11.45%	November 2020	74.24	86.75	Refer note (ii)
			77.43	88.78	

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

	Effective interest rate	Maturity date	As at 31 March 2018	As at 31 March 2017	Remarks
Unsecured					
Liability component of compulsorily convertible preference shares	11.45%	September 2018	13.37	30.32	Refer note (iii)
Liability component of compulsorily convertible debentures	11.45%	January 2018	-	49.71	Refer note (iv)
			13.37	**80.03**	
Total borrowings			**90.80**	**168.81**	
Less: Current maturities of long term borrowings (refer note 21)			(61.30)	(111.11)	
Total			**29.50**	**57.70**	

(i) Vehicle loans are secured by way of hypothecation of assets, thus purchased.

(ii) Term loans from banks (including current maturities) aggregating to ₹ 74.24 crores (31 March 2017: ₹ 86.75 crores) are secured against first and exclusive registered mortgage charge on immovable properties belonging to the body corporate. These loans are further fully secured by personal guarantees of promoter directors and corporate guarantees of the said body corporate.

(iii) Liability component of CCPS represents the mandatory payments required under the terms of the CCPS, discounted at the effective interest rate. Mandatory dividend is payable at the rate of 13% per annum. Such dividend is payable on 30 September for the preceding financial year.

(iv) Liability component of CCDs represented the mandatory payments required under the terms of the CCD, discounted at the effective interest rate. Interest was payable on the aforementioned CCDs at the rate of 13% per annum (16.25% per annum inclusive of tax deducted at source) and such payments had commenced from 4 July 2016 and were paid every quarter thereafter upto the conversion of these CCDs.

Note 18: Provisions

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Provision for employee benefits obligations (refer note 35)	6.42	2.23	6.15	0.88
	6.42	**2.23**	**6.15**	**0.88**

Note 19: Current financial liabilities - borrowings

(₹ in crores)

	Interest rate	Maturity date	As at 31 March 2018	As at 31 March 2017	Remarks
Secured (carried at amortised cost)					
Cash credit facilities	9.65% - 12.30%	Payable on demand	584.19	66.21	Refer note (i)
Packing credit facilities	5.75%-8.60%	Payable on demand	84.98	186.58	Refer note (i)
Post shipment credit facilities	5.75%-8.60%	Payable on demand	121.83	126.96	Refer note (i)
Demand loans	10.00%-10.95%	Payable on demand	85.00	60.00	Refer note (i)
Commercial papers	8.00%-8.50%	May 2018	148.97	194.22	Refer note (i)
Total			**1,024.97**	**633.97**	

(i) Cash credit facilities, packing credit facilities, post shipment credit facilities, demand loans and commercial papers are secured against first pari passu charge on current assets, fixed assets and fixed deposits of the Company. These loans are further fully secured by personal guarantees of promoter directors and their relatives and corporate guarantees and collateral securities of other companies.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 20: Trade payables

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.54	0.39
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,560.64	2,806.58
	3,561.18	**2,806.97**

* Includes gold on lease ₹ 3,384.47 crores (31 March 2017: ₹ 2,758.74 crores) on which interest is charged at 1.40% to 3.00% per annum (31 March 2017: 1.40% to 3.25% per annum).

Note 21: Other current financial liabilities

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Current maturities of long term debt (refer note 17)	47.93	43.08
Current maturities of liability component of CCD (refer note 17)	-	49.71
Current maturities of liability component of CCPS (refer note 17)	13.37	18.32
Interest accrued but not due on borrowings	3.20	9.64
Unpaid dividends*	0.05	0.05
Application money received for allotment of securities to the extent refundable*	0.02	0.02
Creditors for capital goods	1.69	0.74
Employee related payables	6.82	6.20
Others	31.86	12.32
	104.94	**140.08**

*Not due for deposit to the Investor Education and Protection Fund

Note 22: Other current liabilities

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Advances received from customers	17.91	9.57
Deposits received from customers	140.68	110.76
Statutory dues payable	3.92	5.94
Deferred revenue	11.18	5.35
Others	11.80	10.82
	185.49	**142.44**

Note 23: Current tax liabilities (net)

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Provision for income-tax (net of prepaid taxes)	120.45	62.11
	120.45	**62.11**

Note 24: Revenue from operations

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products*	9,488.97	8,104.58
	9,488.97	8,104.58

*Revenue for the period ended 31 March 2018 is net of Goods and Service Tax (GST) which is applicable from 1 July 2017, however, revenue for the periods upto 30 June 2017 is net of value added tax but gross of excise duty. Accordingly, revenue for the year ended 31 March 2018 is not comparable with that of the previous year, presented in these financial statements.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 25: Other income

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on:		
fixed deposits with banks	47.32	15.74
loans to subsidiaries	15.83	24.54
loan to a body corporate	0.85	0.85
other financial assets carried at amortised cost	5.91	3.48
Gain on investments measured at FVTPL	0.91	1.25
Profit on sale of property, plant and equipment	0.05	0.06
Net gain on foreign currency transactions and translations	25.94	61.81
Other non-operating income	2.15	1.42
	98.96	**109.15**

Note 26: Cost of materials consumed

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Raw material		
Balance at the beginning of the year	648.55	733.25
Add: purchases during the year	8,867.03	7,136.18
Balance at the end of the year	684.77	648.55
	8,830.81	**7,220.88**

Note 27: Purchases of stock-in-trade

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Purchases of stock-in-trade	318.08	188.76
	318.08	**188.76**

Note 28: Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Opening balance		
Work-in-progress	1,108.05	972.78
Finished goods	2,335.63	2,160.03
Stock-in-trade	26.41	-
	3,470.09	**3,132.81**
Closing balance		
Work-in-progress	2,179.52	1,108.05
Finished goods	2,270.52	2,335.63
Stock-in-trade	26.47	26.41
	4,476.51	**3,470.09**
	(1,006.42)	**(337.28)**

Note 29: Employee benefits expense

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	76.52	64.91
Contribution to provident and other funds (refer note 35)	4.42	4.04
Share based payments to employees	4.80	7.06
Staff welfare expenses	3.95	2.59
	89.69	**78.60**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 30: Finance costs

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on financial liabilities at amortised cost#	251.74	221.38
Interest on late deposit of advance tax	11.30	11.03
Other finance costs	38.25	42.30
	301.29	**274.71**

includes ₹ 134.31 crore (previous year ₹ 76.74 crore) as finance cost on gold on lease included in trade payables.

Note 31: Depreciation and amortisation expense

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	20.46	22.01
	20.46	22.01

Note 32: Other expenses

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Advertisement and publicity	59.74	22.29
Labour charges	35.30	35.38
Hallmarking charges	1.05	0.83
Consumption of packing material	3.70	2.36
Rent (refer note 45)	59.13	56.21
Business promotion	18.51	9.28
Communication	5.22	4.07
Repairs and maintenance-Others	7.06	5.28
Discount and commission	12.75	9.75
Electricity and water	9.08	7.90
Vehicle running and maintenance	0.93	0.90
Insurance	3.14	2.32
Legal and professional (including payment to auditors) (refer note (a) below)	7.93	6.62
Rates and taxes	7.41	4.47
Printing and stationery	1.37	1.21
Security expenses	7.98	7.56
Travelling and conveyance	3.76	3.41
Bank charges	9.07	7.03
Donation	1.13	2.06
Expenditure on corporate social responsibility activities (refer note 46)	5.25	5.00
Miscellaneous	0.87	0.58
	260.38	**194.51**
(a) Payment to the auditors:		
- As auditors	0.48	0.77
- For other services including limited reviews	0.45	0.47
- For reimbursement of expenses	0.05	0.02
- Towards applicable taxes	0.00*	0.19
Total	**0.98**	**1.45**
*Rounded off to nil		

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 33: Current tax

(a) Income-tax expense through the statement of profit and loss

(₹ in crores)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax:		
Current tax on profits for the year	202.98	133.92
Adjustments for current tax of prior periods	(4.33)	(12.23)
	198.65	**121.69**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	3.86	14.18
Adjustments due to changes in tax rates	0.26	-
Total tax expense	**202.77**	**135.87**

(b) Income-tax on other comprehensive income

(₹ in crores)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Re-measurement of defined benefit obligations	(0.26)	0.05
Total tax expense recognised in other comprehensive income	**(0.26)**	**0.05**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Accounting profit before income-tax	770.17	566.40
Applicable Indian statutory income-tax rate	34.61%	34.61%
Computed expected tax expense	266.56	196.03
Prior period adjustments	(4.33)	(12.23)
Effect of non-deductible expenses	7.43	6.60
Income exempt from tax (see note below)	(66.63)	(54.53)
Others	(0.26)	-
Income-tax expense reported in the statement of profit and loss	**202.77**	**135.87**
At the effective income tax rate of 26.33% (31 March 2017: 23.99%)	202.77	135.87

Note:

The Company has three manufacturing units located in Noida Special Economic Zone, namely, unit I, unit II and unit III. Unit III is fully exempt from income tax till 31 March 2021. Remaining units, i.e., unit I and unit II are partially 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.

Note 34: Earnings per share

Particulars	Units	Year ended 31 March 2018	Year ended 31 March 2017
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
Net profit attributable to shareholders for basic earnings per share	₹ in crores	**567.40**	**430.53**
Interest savings on compulsory convertible preference shares, net of tax	₹ in crores	2.40	1.20
Interest savings on compulsory convertible debentures, net of tax	₹ in crores	1.11	4.67
Net profit attributable to shareholders for diluted earnings per share	₹ in crores	**570.91**	**436.40**
Weighted average number of equity shares for basic earnings per share		**394,355,200**	**179,137,600**
Effect of conversion of convertible debentures, convertible preference shares and exercise of share options		7,739,238	13,985,208
Weighted average number of equity shares for diluted earnings per share		**402,094,438**	**193,122,808**
Basic earnings per share	₹	14.94	12.03
Diluted earnings per share	₹	14.73	11.31

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

During the year, the shareholders of the Company approved and subsequently alloted the issue of bonus equity shares in proportion of one bonus equity share for each equity share held which got duly allotted within the year. Accordingly, the basic and diluted earnings per share have been adjusted for the previous years presented in accordance with Ind AS 33 'Earnings per Share'.

Note 35: Employee benefits

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Gratuity	6.82	5.62
Compensated absences	1.83	1.41
	8.65	7.03

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the amount recognised in the balance sheet for the defined benefit plan.

(₹ in crores)

	Gratuity benefits	
	As at 31 March 2018	As at 31 March 2017
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	5.62	3.85
Interest cost	0.42	0.30
Current service cost	1.34	1.44
Benefits paid	(0.24)	(0.10)
Actuarial (gains)/losses on obligation	(0.76)	0.13
Past service cost, including losses on curtailments	0.44	-
Closing defined benefit obligation	**6.82**	**5.62**
Expense recognised in the statement of profit and loss:		
Current service cost	1.34	1.44
Past service cost, including losses on curtailments	0.44	-
Interest cost	0.42	0.30
	2.20	**1.74**
(Income)/expense recognised in the other comprehensive income:		
Net actuarial (gain)/loss in the year	(0.76)	0.13
	(0.76)	**0.13**
Net expense recognised in the total comprehensive income	**1.44**	**1.87**
Breakup of actuarial gain/loss		
Actuarial gain arising from change in demographic assumption	(1.47)	-
Actuarial loss arising from change in financial assumption	1.20	0.22
Actuarial gain arising from experience adjustment	(0.49)	(0.09)
	(0.76)	**0.13**

Actuarial assumptions used

	As at 31 March 2018	As at 31 March 2017
Discount rate	7.40%	7.40%
Long-term rate of compensation increase	10.00%	8.00%
Average remaining life	29.50	29.35

Demographic assumptions used

	As at 31 March 2018	As at 31 March 2017
Mortality table	IALM(2006-08)	IALM(2006-08)
Retirement age	60 years	60 years
Average remaining life	29.50	29.35

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability:

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Increase by 1%	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**
Discount rate				
(Decrease)/ increase in the defined benefit liability	(0.23)	0.25	(0.43)	0.50
Salary growth rate				
Increase/ (decrease) in the defined benefit liability	0.23	(0.22)	0.46	(0.41)
Average life expectancy				
Increase/ (decrease) in the defined benefit liability	negligible	negligible	negligible	negligible

The present value of the defined benefit obligation calculated with the same method (projected unit credit) as the defined benefit obligation recognised in the balance sheet. The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Based on historical data, the Company expects contributions of ₹ 1.76 crores in the next 12 months.

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

(₹ in crores)

	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligations	6.82	5.62	3.85	3.05	1.87
Experience gain/(loss) adjustments on planned liabilities	0.49	0.09	0.50	0.25	0.04

Compensated absences

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Therefore, based on the independent actuarial report, provision for compensated absences has been bifurcated as current and non-current.

Actuarial assumptions used

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Discount rate	7.40%	7.40%
Expected salary escalation rate	10.00%	8.00%

Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 2.90 crores (31 March 2017 ₹ 2.96 crores).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 36: Employee Stock Option Plan

PC Jeweller Limited Employee Stock Option Plan 2011

During the year ended 31 March 2012, the Company had formulated Employee Stock Option Scheme referred to as PC Jeweller Limited Employee Stock Option Plan 2011 (the 'Plan') for all eligible employees/directors of the Company.

The plan is implemented by the Nomination and Remuneration Committee constituted by the Company under the policy and framework laid down by the Company and/ or the Board of Directors of the Company, in accordance with the authority delegated to the Nomination and Remuneration 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 the Board of Directors in this regard. The issuance of the shares are under the guidance, advice and directions of the Nomination and Remuneration Committee.

Each stock option entitles the grantee thereof to apply for and be allotted one equity share of the Company upon vesting. Vesting of the options shall take place over a period of 4 years with a minimum vesting period of 1 year from the grant date.

(a) 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

The options granted shall vest so long as the employee continues to be in employment with the Company, i.e., the options will lapse if the employment is terminated prior to vesting. Even after the options are vested, un-exercised options may be forfeited if the services of the employee are terminated for reasons specified in the Plan.

(b) Set out below is a summary of options granted under the Plan:

	As at 31 March 2018		As at 31 March 2017	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
Balance at the beginning of the year	10.00	688,700	10.00	726,300
Options granted during the year*	10.00	1,032,537	-	-
Options exercised during the year	10.00	75,200	10.00	37,600
Options lapsed during the year	10.00	20,000	-	-
Balance at the end of the year	**10.00**	**1,626,037**	**10.00**	**688,700**
Vested and exercisable	10.00	85,090	10.00	35,030

**includes 782,537 options granted due to corporate action to existing option holders.*

(c) Exercise price and expiry dates of share options outstanding at the end of the year:

Grant date	Weighted average remaining contractual life of options outstanding as on		Expiry date	Average exercise price per share	Total share options granted	Share options outstanding as on 31 March 2018	Share options outstanding as on 31 March 2017
	31 March 2018	31 March 2017					
14 May 2015	5.12	6.12	13 May 2023	10.00	726,300	593,500	688,700
25 May 2017	7.16	-	24 May 2025	10.00	50,000	50,000	-
01 August 2017	7.34	-	31 July 2025	10.00	100,000	100,000	-
19 January 2018	7.81	-	18 January 2026	10.00	882,537	882,537	-
Total						**1,626,037**	**688,700**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(d) The fair value of the options granted has been calculated on the date of grant using Black Scholes option pricing model with the following assumptions:

(i)	Grant date	14 May 2015	25 May 2017	01 August 2017	19 January 2018
(ii)	Expiry date	13 May 2023	24 May 2025	31 July 2025	18 January 2026
(iii)	Fair value of options granted (per share)	₹ 318.22	₹ 393.99	₹ 231.55	₹ 536.47
(iv)	Exercise price	₹ 10	₹ 10	₹ 10	₹ 10
(v)	Share price at grant date	₹ 328.50	₹ 452.60	₹ 251.75	₹ 587.35
(vi)	Weighted historical volatility (%)	52.61	52.82	52.48	51.85
(vii)	Time to maturity-years	8 years	8 years	8 years	8 years
(viii)	Expected dividend yield (%)	0.71	1.23	1.23	1.23
(ix)	risk free interest rate (%)	7.97- 8.03	6.82- 7.09	6.50- 6.83	7.26- 7.37

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 was listed on BSE Limited and National Stock Exchange of India Limited on 27 December 2012. The volatility is determined by taking into account the period since the listing of the Company.

Note 37: Related party transactions:

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

List of related parties

Relationship	**Name of the related party**
Subsidiaries	PC Universal Private Limited*
	Transforming Retail Private Limited *
	Luxury Products Trendsetter Private Limited*
	PC Jeweller Global DMCC*
Step down subsidiary	Comercializadora Internacional PC Jeweller International SAS
Key management personnel (KMP)**	Mr. Padam Chand Gupta
	Mr. Balram Garg
Relatives of key management personnel***	Mr. Nitin Gupta (Son of Mr. Padam Chand Gupta)
	Mr. Sachin Gupta (Son of Mr. Padam Chand Gupta)
	Mrs. Krishna Devi (Wife of Mr. Padam Chand Gupta)
	Mrs. Pooja Garg (Wife of Mr. Balram Garg)
Other entities in which KMP has significant influence	Padam Chand, Hindu Undivided Family
	Balram Garg, Hindu Undivided Family

*Certain directors of the Company are also directors in these entities.
**Also refer note 15(d) for parties with more than 50% voting right, individually or collectively.
***where transactions have occurred during the reporting period.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Details of transaction between the Company and its related parties are disclosed below:

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/ or their relatives having transactions with the Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Transactions during the year						
Loan given						
PC Universal Private Limited	110.45	299.44	-	-	-	-
Luxury Products Trendsetter Private Limited	14.88	17.79	-	-	-	-
	125.33	**317.23**	**-**	**-**	**-**	**-**
Loan repaid by						
PC Universal Private Limited	302.14	158.05	-	-	-	-
Luxury Products Trendsetter Private Limited	-	0.02				
	302.14	**158.07**	**-**	**-**	**-**	**-**
Expenses incurred on behalf of						
Transforming Retail Private Limited	0.01	-	-	-	-	-
	0.01	**-**	**-**	**-**	**-**	**-**
Interest income on loan						
PC Universal Private Limited	12.98	23.43	-	-	-	-
Luxury Products Trendsetter Private Limited	2.86	1.11	-	-	-	-
	15.84	**24.54**	**-**	**-**	**-**	**-**
Investment						
PC Jeweller Global DMCC	-	133.86	-	-	-	-
	-	**133.86**	**-**	**-**	**-**	**-**
Sale of goods						
Transforming Retail Private Limited	6.06	8.06	-	-	-	-
Luxury Products Trendsetter Private Limited	38.45	-	-	-	-	-
PC Universal Private Limited	263.97	-	-	-	-	-
	308.48	**8.06**	**-**	**-**	**-**	**-**

Note 37: Related party transactions (contd.)

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/ or their relatives having transactions with the Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Purchase of goods						
Luxury Products Trendsetter Private Limited	48.70	1.83	-	-	-	-
PC Universal Private Limited	252.13	-	-	-	-	-
	300.83	**1.83**	**-**	**-**	**-**	**-**
Purchase of services						
Luxury Products Trendsetter Private Limited	0.23	0.09	-	-	-	-
	0.23	**0.09**	**-**	**-**	**-**	**-**
Labour income received						
PC Universal Private Limited	0.84	1.67	-	-	-	-
	0.84	1.67	-	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/ or their relatives having transactions with the Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Security deposits repaid						
PC Universal Private Limited	-	0.02	-	-	-	-
	-	0.02	-	-	-	-
Remuneration paid*						
Mr. Balram Garg	-	-	7.20	6.90	-	-
Mr. Nitin Gupta	-	-	0.42	0.39	-	-
	-	**-**	**7.62**	**7.29**	**-**	**-**
Rent paid						
Mr. Padam Chand Gupta	-	-	5.59	5.37	-	-
Mr. Balram Garg	-	-	0.37	0.26	-	-
Mr. Nitin Gupta	-	-	0.78	0.77	-	-
Mr. Sachin Gupta	-	-	0.78	0.77	-	-
	-	**-**	**7.52**	**7.17**	**-**	**-**
Final dividend paid						
Mr. Balram Garg	-	-	6.70	22.43	-	-
Mr. Padam Chand Gupta	-	-	5.04	16.87	-	-
Others	-	-	0.42	2.24	0.11	0.36
	-	**-**	**12.16**	**41.54**	**0.11**	**0.36**
Sitting fees paid						
Mr. Padam Chand Gupta	-	-	0.04	0.05	-	-
	-	**-**	**0.04**	**0.05**	**-**	**-**

* exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done for the Company as a whole.

Note 37: Related party transactions (contd.)

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/ or their relatives having transactions with the Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Balance outstanding at the year end						
Loans						
PC Universal Private Limited	55.05	246.75	-	-	-	-
Luxury Products Trendsetter Private Limited	34.50	19.62	-	-	-	-
	89.55	**266.37**	**-**	**-**	**-**	**-**
Interest accrued on loan						
PC Universal Private Limited	27.75	20.93	-	-	-	-
Luxury Products Trendsetter Private Limited	3.59	1.03	-	-	-	-
	31.34	**21.96**	**-**	**-**	**-**	**-**
Labour income receivable						
PC Universal Private Limited	-	1.62	-	-	-	-
	-	**1.62**	**-**	**-**	**-**	**-**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/ or their relatives having transactions with the Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Trade receivables						
PC Universal Private Limited	0.31	-	-	-		
Transforming Retail Private Limited	7.61	4.38	-	-	-	-
Luxury Products Trendsetter Private Limited	0.39	-	-	-	-	-
	8.31	**4.38**	**-**	**-**	**-**	**-**
Investments						
Transforming Retail Private Limited	0.01	0.01	-	-	-	-
Luxury Products Trendsetter Private Limited	0.01	0.01	-	-	-	-
PC Jeweller Global DMCC	133.86	133.86	-	-	-	-
PC Universal Private Limited	0.05	0.05	-	-	-	-
	133.93	133.93	-	-	-	-
Other current liabilities - remuneration						
Mr. Balram Garg	-	-	0.39	0.38	-	-
Mr. Nitin Gupta	-	-	0.03	0.02	-	-
	-	**-**	**0.42**	**0.40**	**-**	**-**
Advance to Supplies						
Luxury Products Trendsetter Private Limited	8.48	-	-	-	-	-
	8.48	**-**	**-**	**-**	**-**	**-**
Rent payable:						
Mr. Balram Garg	-	-	-	0.22	-	-
Mr. Padam Chand Gupta	-	-	-	4.94	-	-
Mr. Nitin Gupta	-	-	-	0.66	-	-
Mr. Sachin Gupta	-	-	-	0.66	-	-
	-	-	-	6.48	-	-

During the year, the Company has paid short-term employee benefits (including sitting fee) amounting ₹ 7.24 crores (previous year ₹ 6.95 crores) included in Key management personnel's compensation. As the liability for gratuity and leave encashment are provided on acturial basis for the Company as a whole, amounts accrued pertaining to key management personnel are not included. There are no amounts outstanding of post-employment benefits, other long-term benefits, termination benefits and share-based payment for the current and previous year.

Note 38: Details of amounts due from entities pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and disclosure under section 186(4) of the Act:

As at 31 March 2018

(₹ in crores)

Particulars	PC Universal Private Limited (Wholly owned Subsidiary)	Luxury Products Trendsetter Private Limited (Wholly owned Subsidiary)	Transforming Retail Private Limited (Wholly owned Subsidiary)	PC Jeweller Global DMCC (Wholly owned Subsidiary)	Shivani Sarees Private Limited
Investments					
Investments at the beginning/end of the year	0.05	0.01	0.01	133.86	-
Loans and advances					
Loans at the beginning of the year	267.68	20.65	-	-	9.31
Additions during the year	110.45	14.88	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(₹ in crores)

Particulars	PC Universal Private Limited (Wholly owned Subsidiary)	Luxury Products Trendsetter Private Limited (Wholly owned Subsidiary)	Transforming Retail Private Limited (Wholly owned Subsidiary)	PC Jeweller Global DMCC (Wholly owned Subsidiary)	Shivani Sarees Private Limited
Interest income during the year	12.98	2.86	-	-	0.85
Repayment during the year	302.14	-	-	-	0.28
Interest paid during the year	6.16	0.30	-	-	0.85
Loans at the end of the year	82.80	38.09	-	-	9.03
Maximum balance outstanding during the year	301.26	38.09	-	-	9.31
Rate of interest	Refer note (ii)	Refer note (ii)	NA	NA	10%
Repayment terms	Refer note (iii)	Refer note (iii)	NA	NA	Refer note (iv)

Note:

(i) The Company has given loans to above entities for business purposes. All the loans given are unsecured loans.

(ii) As per the agreement, the rate of interest for the loan is the average cost of working capital facilities obtained by the lender i.e. 31 March 2018: 11.25% (31 March 2017:11.50%).

(iii) The loan is to be repaid after 5 years from the date of the receipt of loan.

(iv) The loan is to be repaid in 10 installments commencing from 1 January 2019.

As at 31 March 2017

(₹ in crores)

Particulars	PC Universal Private Limited (Wholly owned Subsidiary)	Luxury Products Trendsetter Private Limited (Wholly owned Subsidiary)	Transforming Retail Private Limited (Wholly owned Subsidiary)	PC Jeweller Global DMCC (Wholly owned Subsidiary)	Shivani Sarees Private Limited
Investments					
Investments at the beginning/end of the year	0.05	0.01	0.01	-	-
Additions during the year	-	-	-	133.86	-
Investments at the end of the year	0.05	0.01	0.01	133.86	-
Loans and advances					
Loans at the beginning of the year	105.95	1.89	-	-	9.01
Additions during the year	299.44	17.79	-	-	-
Interest income during the year	23.43	1.11	-	-	0.85
Repayment during the year	158.05	0.02	-	-	-
Interest paid during the year	3.09	0.12	-	-	0.55
Loans at the end of the year	267.68	20.65	-	-	9.31
Maximum balance outstanding during the year	378.69	20.65	-	-	9.31
Rate of interest	Refer note (ii)	Refer note (ii)	NA	NA	10%
Repayment terms	Refer note (iii)	Refer note (iii)	NA	NA	Refer note (iv)

Note:

(i) The Company has given loans to above entities for business purposes. All the loans given are unsecured loans.

(ii) As per the agreement, the rate of interest for the loan is the average cost of working capital facilities obtained by the lender i.e. 31 March 2018: 11.25% (31 March 2017:11.50%).

(iii) The loan is to be repaid after 5 years from the date of the receipt of loan.

(iv) The loan is to be repaid in 10 installments commencing from 1 January 2019.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 39: Hedging activity and derivatives

(i) The Company enters into foreign currency forward contracts to hedge against the foreign currency risk relating to payment of foreign currency payables. The Company does not apply hedge accounting on such relationships. Further, the Company does not enter into any derivative transactions for speculative purposes.

Fair value hedge of gold price risk in inventory

The Company enters into contracts to purchase gold wherein the Company has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Company designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. There is no ineffectiveness in the relationships designated by the Company for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

As at 31 March 2018 (₹ in crores)

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Impact of change in fair value relating to the hedged risk
	Assets	Liabilities	Assets	Liabilities				
Hedged item - inventory of gold	593.99	-	Not applicable	Not applicable	Range - within 6 months	1:1	Inventory	20.27
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	-	20.27	Range - within 6 months		Trade payables	(20.27)

As at 31 March 2017 (₹ in crores)

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Impact of change in fair value relating to the hedged risk
	Assets	Liabilities	Assets	Liabilities				
Hedged item - inventory of gold	569.45	-	Not applicable	Not applicable	Range - within 6 months	1:1	Inventory	(8.43)
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	8.43	-	Range - within 6 months		Trade payables	8.43

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

(ii) Exposure in foreign currency- Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Outstanding overseas exposure hedged by forward option/ contract against adverse currency fluctuation:

Particulars	31 March 2018			31 March 2017	
	Currency	Foreign currency	Local currency (in crores)	Foreign currency	Local currency (in crores
Export receivables	USD	25,880,000	168.33	10,999,489	71.32
Import creditors	USD	130,037,173	827.45	71,577,994	464.10

(iii) Exposure in foreign currency- Unhedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into derivative intruments for trading or speculation purposes.

Outstanding overseas exposure not being hedged against adverse currency fluctuation:

Particulars	31 March 2018			31 March 2017	
	Currency	Foreign currency	Local currency (in crores)	Foreign currency	Local currency (in crores
Export receivables	USD	235,287,528	1,530.41	150,427,744	996.14
Import creditors	USD	153,898,949	988.82	141,758,347	919.14

Note 40: Financial instruments

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates;

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in crores)

	Level 1	Level 2	Level 3	Total
As at 31 March 2018				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	18.63	-	-	18.63
Derivative instruments				
Forward contracts	-	7.16	-	7.16
Total financial assets	**18.63**	**7.16**	**-**	**25.79**
Financial liabilities				
Derivative instruments				
Option to fix prices of gold in purchase contracts	20.27	-	-	20.27
Total financial liabilities	**20.27**	**-**	**-**	**20.27**
As at 31 March 2017				
Financial assets				
Investments at fair value through profit or loss				
Mutual funds	9.40	-	-	9.40
Derivative instruments				
Option to fix prices of gold in purchase contracts	8.43	-	-	8.43
Forward contracts	-	13.49	-	13.49
Total financial assets	**17.83**	**13.49**	**-**	**31.32**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(ii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) The use of quoted market prices for investments in mutual funds.

(b) Use of market available inputs such as gold prices and foreign exchange rates for option to fix prices of gold in purchase contracts and foreign currency forward contracts.

Note 41: Financial risk management

i) Financial instruments by category

(₹ in crores)

Particulars	31 March 2018		31 March 2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
- mutual funds	18.63	-	9.40	-
Loans				
- to subsidiaries	-	120.89	-	288.33
- to other body corporates	-	9.03	-	9.31
Trade receivables	-	1,761.81	-	1,274.40
Security deposits	-	31.69	-	30.84
Cash and cash equivalents	-	382.74	-	375.88
Other receivables	-	0.02	-	3.35
Derivative financial asset	7.16	-	13.49	-
Unclaimed dividend account	-	0.05	-	0.05
Bank deposits	-	1,115.45	-	559.20
Total	**25.79**	**3,421.68**	**22.89**	**2,541.36**
Financial liabilities				
Borrowings	-	1,054.47	-	691.67
Trade payables*	-	3,561.18	-	2,806.97
Other financial liabilities	-	104.94	-	140.08
Total	**-**	**4,720.59**	**-**	**3,638.72**

* Trade payables includes value of the option to fix prices on gold purchases (embedded derivative) that is carried at FVTPL. The value of such embedded derivative which is financial liability of ₹ 20.27 crores as at 31 March 2018 (31 March 2017: financial asset ₹ 8.43 crores) is added to value of the trade payables (as discussed further below).

(a) The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.

(b) The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following table presents the option to fix prices on gold purchases that are added to/offset with trade payables, as at 31 March 2018 and 31 March 2017:

(₹ in crores)

Particulars	Amount of trade payables	Gross amounts set off/added to the balance sheet	Amounts presented in the balance sheet
31 March 2018	3,540.91	20.27	3,561.18
31 March 2017	2,815.40	(8.43)	2,806.97

Option to fix prices on gold purchases is an embedded derivative that will be settled together with the trade payables. Accordingly, such amounts are either added to or offset with but are shown separately in the table above.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting sensitivity analysis	Forward contracts
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Mix of borrowings taken at fixed and floating rates
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	Used as a hedging instrument for gold inventory
Market risk - security price	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department of the Company under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, market risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, mutual funds, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. Since the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Detail of trade receivables that are past due is given below:

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Not due	1,254.24	1,121.17
0-30 days past due	157.47	11.11
31-60 days past due	289.06	105.01
61-90 days past due	55.53	0.51
More than 90 days past due	5.51	36.60
	1,761.81	**1,274.40**

Concentration of financial assets

Concentration of credit risk with respect to trade receivables are limited, due to the Company's consumer base being large and diverse. All trade receivable are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables is that credit risk is low. The Group's exposure to credit risk for trade receivables is presented below:

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Export wholesale customers	1,698.94	1,067.07
Domestic wholesale customers	38.43	186.95
Franchise stores	23.39	19.06
Others	1.05	1.32
	1,761.81	**1,274.40**

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Expiring within one year (bank overdraft and other facilities)	38.29	318.98
	38.29	**318.98**

Contractual maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

(₹ in crores)

31 March 2018	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
Borrowings	876.00	219.55	20.17	11.34	0.70	1,127.76
Trade payable	-	3,561.18	-	-	-	3,561.18
Other financial liabilities	-	38.75	-	-	-	38.75
Total	**876.00**	**3,819.48**	**20.17**	**11.34**	**0.70**	**4,727.69**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(₹ in crores)

31 March 2017	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
Borrowings	439.75	329.51	35.69	19.66	10.95	835.56
Trade payable	-	2,806.97	-	-	-	2,806.97
Other financial liabilities	-	19.34	-	-	-	19.34
Total	**439.75**	**3,155.82**	**35.69**	**19.66**	**10.95**	**3,661.87**

C) Market risk - foreign exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company, as per its overall strategy, uses forward contracts to mitigate its risks associated with fluctuations in foreign currency, and such contracts are not designated as hedges under Ind AS 109. The Company does not use forward contracts and swaps for speculative purposes.

Sensitivity

The sensitivity to profit or loss from changes in the exchange rates arises mainly from financial instruments denominated in USD. In case of a reasonably possible change in INR/USD exchange rates of +/- 4 % (previous year +/-4%) at the reporting date, keeping all other variables constant, there would have been corresponding impact on profits of ₹ 31.81 crores (previous year ₹ 28.03 crores).

D) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
Variable rate borrowing	791.00	379.75
Fixed rate borrowing	324.77	423.03
Total borrowings	**1,115.77**	**802.78**

Sensitivity

The sensitivity to profit or loss in case of a reasonably possible change in interest rates of +/- 50 basis points (previous year: +/- 50 basis points), keeping all other variables constant, would have resulted in corresponding impact on profits by ₹ 2.59 crores (previous year ₹ 1.24 crores).

ii) Assets

The Company's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

E) Price risk

Exposure from investments in mutual funds:

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Sensitivity:

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in corresponding impact on profits by ₹ 0.61 crores (previous year ₹ 0.31 crores).

Exposure from trade payables:

The Company's exposure to price risk also arises from trade payables of the Company that are at unfixed prices, and, therefore, payment is sensitive to changes in gold prices. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Company.

The Company applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there will no impact of the fluctuation in the price of the gold on the Company's profit for the period.

Note 42: Capital management

The Company' s capital management objectives are:
- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(₹ in crores)

(a)	Particulars	As at 31 March 2018	As at 31 March 2017
	Non-current borrowings (refer note 17)	29.50	57.70
	Current borrowings (refer note 19)	1,024.97	633.97
	Other financial liability (refer note 21)	64.51	120.74
	Less: Cash and cash equivalents (refer note 13)	(382.74)	(375.88)
	Net debts	**736.24**	**436.53**
	Equity share capital (refer note 15)	394.36	179.14
	Other equity (refer note 16)	3,531.44	3,187.64
	Total Capital	**3,925.80**	**3,366.78**
	Gearing ratio	**18.75%**	**12.97%**

(b) Dividends

(₹ in crores)

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2016 of ₹ 3.35 per share	-	60.00
Final dividend for the year ended 31 March 2017 of ₹ 1.00 per share	17.92	-
Dividend distribution tax on final dividend for the year ended 31 March 2016	-	12.21
Dividend distribution tax on final dividend for the year ended 31 March 2017	3.65	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, board of directors have recommended the dividend of ₹ 0.55 (previous year ₹ 0.75) per fully paid preference share. This proposed dividend is subject to approval of shareholders at the ensuing Annual General Meeting.	14.21	19.34
In addition to the above dividends, the Board of Directors have recommended a dividend of ₹ 0.50 (previous year ₹ 1.00) per fully paid equity share. This proposed dividend is subject to approval of shareholders at the ensuing Annual General Meeting.	19.72	17.91
Dividend distribution tax on the proposed dividend for equity shareholders	4.05	3.65
Dividend distribution tax on the proposed dividend for preference shareholders	2.92	3.94

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 43: Micro, Small and Medium Enterprises

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 2018 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.

(₹ in crores)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(a)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
	Principal amount due to micro and small enterprises	0.54	0.39
	Interest due on above	-*	-
(b)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-*	-
(e)	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.	-*	-

* Rounded off to nil

Note 44: Contingent liability

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Claims against the Company not acknowledged as debts*#	0.97	0.97
Demand from the income-tax authorities (amounts paid under protest ₹ 0.22 crores)	5.86	6.26
Demands from the Custom authorities against which appeals have been filed (amounts paid under protest ₹ 2.43 cr)	2.43	2.43
Demands from the sales tax authorities against which appeals have been filed	8.24	8.53
Estimated amount of contracts remaining to be executed on capital account and not provided for	1.03	0.64
*Excluding interest which is not ascertainable		
#Company has furnished bank guarantees amounting to ₹ 0.42 crore for ongoing litigations		

**Excluding interest which is not ascertainable*

#Company has furnished bank guarantees amounting to ₹ 0.42 crore for ongoing litigations

Note 45: Disclosures in respect of non-cancellable operating leases

The Company leases various offices and retail stores under non-cancellable operating leases with different periods. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Contractual lease expense are summarised as below.

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Upto one year	51.39	46.39
Two to five years	159.11	151.11
More than five years	54.55	38.39
	265.05	235.89
Lease payments under operating leases are disclosed as 'rent' in the statement of profit and loss		
	59.13	56.21

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 46: Corporate social responsibility

The Company's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of the Act. The CSR committee has been formed by the Company as per the Act. A 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.

a) Gross amount required to be spent by the Company during the year is ₹ 10.94 crores (previous year ₹ 10.32 crores)

b) Amount spent during the year on CSR (excluding 5% administrative expenses)

(₹ in crores)

S.No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purpose other than (i) above	5.25	-	5.25

Note 47: Disclosure on specified bank notes (SBN)

During the previous year, the Company had specified bank notes or other denomination as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017, on the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in crores)

	SBNs	Other denomination notes	Total
Closing cash in hand on 8 November 2016	336.90	0.12	337.02
Add: Permitted receipts	-	22.07	22.07
Less: Permitted payments	-	2.49	2.49
Less: Amount deposited in the banks	336.90	16.64	353.54
Closing cash in hand on 30 December 2016	-	3.06	3.06

The Company does not maintain independent records of denomination of currency in its books of accounts.

Note 48: Reconciliation of liabilities arising from financing activities pursuant to Ind AS -7 Cash flows

The changes of the Company's liabilties arising from financing activities can be classified as follows:

(₹ in crores)

Particulars	Long term borrowings	Short term borrowings	Equity share capital	Total
Net debt as at 01 April 2016	**88.49**	**881.89**	**179.10**	**1,149.48**
Proceeds from allotment of employee stock options	-	-	0.04	0.04
Proceeds from non-current borrowings (net)	427.29	-	-	427.29
Equity component of CCD	(364.98)	-	-	(364.98)
Movement in the liability components pertaining to CCD and CCPS	18.01	-	-	18.01
Repayment of current borrowings (net)	-	(247.92)	-	(247.92)
Net debt as at 31 March 2017	**168.81**	**633.97**	**179.14**	**981.92**
Proceeds from allotment of employee stock options	-	-	0.08	0.08
Issue of bonus shares	-	-	179.21	179.21
Conversion of CCD and CCPS into equity shares	-	-	35.93	35.93
Movement in the liability components pertaining to CCD and CCPS	(66.66)	-	-	(66.66)
Repayment of non-current borrowings (net)	(11.35)	-	-	(11.35)
Proceeds of current borrowings (net)	-	391.00	-	391.00
Net debt as at 31 March 2018	**90.80**	**1,024.97**	**394.36**	**1,510.13**

Note 49: Segment information

Disclosure for segment information as required by Ind AS 108 'Operating Segment', notified under the Act has been provided in the consolidated financial statements of the Company comprising the Company and its wholly owned subsidiaries.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 50: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorisation of the Company's standalone financial statements. However, the Board of Directors have recommended a dividend of ₹0.55 (previous year ₹0.75) on preference shares of ₹ 10 each, subject to approval of shareholders at the ensuing Annual General Meeting. Also, the Board of Directors have recommended a final dividend of 5%, i.e., ₹0.50 (previous year ₹1) on equity shares of ₹ 10 each for the year ended 31 March 2018, subject to approval of shareholders at the ensuing annual general meeting.

Note 51: Buyback of shares

On 10 May 2018, the Board of Directors of the Company approved a buyback proposal for the purchase by the Company of upto 12,114,285 Equity shares of ₹ 10/- each (being 3.07 % of total paid up equity capital of the Company) at a price of ₹ 350 per equity share, for an aggregate amount not exceeding ₹ 424 crore from the shareholders of the Company on a proportionate basis through the tender offer route in accordance with the provisions contained in the SEBI (Buy Back of Securities) Regulations, 1988 and the Act subject to applicable statutory/other requisite approvals.

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

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Anupam Kumar
Partner
Membership No. 501531

Place: New Delhi
Date: 25 May 2018

Sd/
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/
Balram Garg
Managing Director
DIN-00032083

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

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 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 Holding 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 state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The Holding 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 of the provisions of the Act, the respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's 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 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 these 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 Holding 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 Holding 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') in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these 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 separate 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 (consolidated financial position) of the Group as at 31 March 2018 and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. We did not audit the financial statements of five subsidiaries,

whose financial statements reflect total assets of ₹ 320.59 crores and net assets of ₹ 114.74 crores as at 31 March 2018, total revenues of ₹ 648.10 crores and net cash outflows amounting to ₹ 31.10 crores for the year ended on that date, as considered in the consolidated financial statements. 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 above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of SJA.

10. The audit of the consolidated financial statements for the year ended 31 March 2017 were jointly carried out and reported by SJA and us, vide unmodified report dated 25 May 2017. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of SJA on separate financial statements 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 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;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of SJA for the subsidiary companies covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), 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 separate financial statements of the subsidiaries:

        (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 44 to the consolidated financial statements;

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

        (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act during the year ended 31 March 2018; and

        (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013
Sd/-
Anupam Kumar
Partner
Membership No. 501531

Place: New Delhi
Date: 25 May 2018

Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweller Limited on the consolidated financial statements for the year ended 31 March 2018

Annexure A

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 'Holding Company') and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group'), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary companies, which are companies covered under the act, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, 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 SJA in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding 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.

Annexure A to the Independent Auditor's Report of even date to the members of PC Jeweller Limited on the standalone financial statements for the year ended 31 March 2018

Opinion

8. In our opinion and based on the consideration of the reports of the SJA on IFCoFR of the Subsidiary Companies, the Holding Company and its subsidiary companies, which are companies covered under the act, have, in all material respects, adequate internal financial controls over financial reporting and such controls reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the IFCoFR in so far as it relates to three subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 176.84 crores and net liabilities of ₹ 25.75 crores as at 31 March 2018, total revenues of ₹ 648.10 crores and net cash inflows amounting to ₹ 0.26 crores for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as is relates to such subsidiary companies have been audited by SJA whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of SJA. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of SJA.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013
Sd/-
Anupam Kumar
Partner
Membership No. 501531

Place: New Delhi
Date: 25 May 2018

Consolidated Balance Sheet as at 31 March 2018

(₹ in crores)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
A Assets			
1 Non-current assets			
a) Property, plant and equipment	4	91.24	87.22
b) Capital work-in-progress		0.78	-
c) Intangible assets	5	1.35	0.97
d) Financial assets			
i) Loans	6	40.55	39.61
ii) Other financial assets	7	6.95	4.61
e) Deferred tax assets (net)	8	24.61	33.37
f) Other non-current assets	9	27.91	29.60
Total non-current assets		**193.39**	**195.38**
2 Current assets			
a) Inventories	10	5,257.59	4,187.43
b) Financial assets			
i) Investments	11	18.63	9.40
ii) Trade receivables	12	1,851.31	1,538.04
iii) Cash and cash equivalents	13	386.94	411.26
iv) Bank balance other than (iii) above	14	1,169.45	780.42
v) Loans	6	0.92	0.84
vi) Other financial assets	7	7.18	16.25
c) Other current assets	9	99.05	257.58
Total current assets		**8,791.07**	**7,201.22**
Total assets		**8,984.46**	**7,396.60**
B Equity and liabilities			
1 Equity			
a) Equity share capital	15	394.36	179.14
b) Other equity	16	3,486.82	3,172.77
Total equity		**3,881.18**	**3,351.91**
Liabilities			
2 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	29.50	57.70
b) Provisions	18	6.57	6.23
Total non-current liabilities		**36.07**	**63.93**
3 Current liabilities			
a) Financial liabilities			
i) Borrowings	19	1,025.00	634.00
ii) Trade payables	20	3,622.35	2,997.06
iii) Other financial liabilities [other than those specified in item (c)]	21	109.42	141.46
b) Other current liabilities	22	187.78	145.26
c) Provisions	18	2.21	0.88
d) Current tax liabilities (net)	23	120.45	62.10
Total current liabilities		**5,067.21**	**3,980.76**
Total liabilities		**5,103.28**	**4,044.69**
Total equity and liabilities		**8,984.46**	**7,396.60**

Notes 1 to 52 form an integral part of these consolidated financial statements.
This is the Consolidated balance sheet referred to in our report of even date

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Anupam Kumar
Partner
Membership No. 501531

Sd/
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/
Balram Garg
Managing Director
DIN-00032083

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 25 May 2018

PCJ
Jeweller for generations

Consolidated statement of profit and loss for the year ended 31 March 2018

(₹ in crores)

	Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
1	**Revenue from operations**	24	9,615.44	8,479.55
2	Other income	25	91.08	97.25
3	**Total income (1+2)**		**9,706.52**	**8,576.80**
4	**Expenses**			
	a) Cost of materials consumed	26	8,829.01	7,526.77
	b) Purchases of stock-in-trade	27	489.17	309.58
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(1,044.34)	(406.16)
	d) Excise duty		3.47	5.14
	e) Employee benefits expense	29	96.27	83.37
	f) Finance costs	30	303.89	278.56
	g) Depreciation and amortisation expense	31	21.46	22.48
	h) Other expenses	32	271.01	202.91
	Total expenses		**8,969.94**	**8,022.65**
5	**Profit before tax (3-4)**		**736.58**	**554.15**
6	Tax expense			
	a) Current tax	33	198.65	121.69
	b) Deferred tax	8	2.29	11.45
	Total tax expense		**200.94**	**133.14**
7	**Profit for the year**		**535.64**	**421.01**
8	Other comprehensive income:			
	a) Items that will not be reclassified to profit or loss:			
	(i) Remeasurement of post employment benefit obligations		0.75	(0.12)
	(ii) Income-tax relating to items that will not be reclassified to profit or loss		(0.26)	0.04
	b) Items that will be reclassified to profit or loss:			
	(i) Foreign currency translation		2.02	(4.34)
	Other comprehensive income for the year, net of tax		**2.51**	**(4.42)**
9	**Total comprehensive income for the year (7+8)**		**538.15**	**416.59**
10	Earnings per equity share: (face value of ₹ 10 per share)	34		
	Basic earnings per share (in ₹)		14.16	11.64
	Diluted earnings per share (in ₹)		13.97	10.95

Notes 1 to 52 form an integral part of these consolidated financial statements.
This is the consolidated statement of profit and loss referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Anupam Kumar
Partner
Membership No. 501531

Place: New Delhi
Date: 25 May 2018

Sd/
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/
Balram Garg
Managing Director
DIN-00032083

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Consolidated Statement of Changes in Equity for the year ended 31 March 2018

A Equity share capital: **(₹ in crores)**

Particulars	Note	No. of shares	Amount
Issued, subscribed and fully paid up			
Equity shares of ₹ 10 each			
Balance as at 1 April 2016	15	**179,100,000**	**179.10**
Changes in equity share capital during the year		37,600	0.04
Balance as at 31 March 2017		**179,137,600**	**179.14**
Changes in equity share capital during the year		215,217,600	215.22
Balance as at 31 March 2018		**394,355,200**	**394.36**

B Other equity: **(₹ in crores)**

Particulars	Equity component of preference shares	Equity component of debentures	Reserves and surplus					Total
			Securities premium reserve	General reserve	Share options outstanding account	Foreign currency translation reserve	Retained earnings	
Balance as at 1 April 2016	**-**	**-**	**518.17**	**54.54**	**8.02**	**-**	**1,649.31**	**2,230.04**
Profit for the year	-	-	-	-	-	-	421.01	**421.01**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	(4.34)	(0.08)	**(4.42)**
Total comprehensive income for the year	**-**	**-**	**518.17**	**54.54**	**8.02**	**(4.34)**	**2,070.25**	**2,646.63**
Share option expense for the year	-	-	-	-	5.87	-	-	**5.87**
Issue of compulsorily convertible preference shares (net of transaction cost)	226.32	-	-	-	-	-	-	**226.32**
Issue of compulsorily convertible debentures	-	364.98	-	-	-	-	-	**364.98**
Transactions with owners in their capacity as owners:								
Issue of equity shares	-	-	1.18	-	-	-	-	**1.18**
Dividends distributed to equity shareholders	-	-	-	-	-	-	(60.00)	**(60.00)**
Corporate dividend tax on dividend paid to equity shareholders	-	-	-	-	-	-	(12.21)	**(12.21)**
Balance as at 31 March 2017	**226.32**	**364.98**	**519.35**	**54.54**	**13.89**	**(4.34)**	**1,998.03**	**3,172.77**
Profit for the year	-	-	-	-	-	-	535.64	**535.64**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	2.02	0.49	**2.51**
Total comprehensive income for the year	**226.32**	**364.98**	**519.35**	**54.54**	**13.89**	**(2.32)**	**2,534.16**	**3,710.92**
Conversion of compulsorily convertible preference shares into equity	(226.32)	-	-	-	-	-	-	**(226.32)**
Conversion of compulsorily convertible debentures into equity	-	(364.98)	-	-	-	-	-	**(364.98)**
Secuity premium on conversion of compulsorily convertible debentures into equity	-	-	353.75	-	-	-	-	**353.75**
Secuity premium on conversion of compulsorily convertible preference shares into equity	-	-	212.87	-	-	-	-	**212.87**
Share option expense for the year	-	-	-	-	1.48	-	-	**1.48**
Gain on early conversion of compulsorily convertible debentures into equity (net of deferred tax of Rs. 6.21 crores)	-	-	-	-	-	-	11.75	**11.75**
Transactions with owners in their capacity as owners:								
Issue of bonus shares	-	-	(190.45)	-	-	-	-	**(190.45)**
Issue of equity shares	-	-	3.31	-	-	-	-	**3.31**
Dividends distributed to equity shareholders	-	-	-	-	-	-	(17.92)	**(17.92)**
Dividend distribution tax on dividend paid to equity shareholders	-	-	-	-	-	-	(3.65)	**(3.65)**
Dividend distribution tax on dividend paid to preference shareholders	-	-	-	-	-	-	(3.94)	**(3.94)**
Balance as at 31 March 2018	**-**	**-**	**898.83**	**54.54**	**15.37**	**(2.32)**	**2,520.40**	**3,486.82**

Notes 1 to 52 form an integral part of these consolidated financial statements.
This is the consolidated statement of changes in equity referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/
Balram Garg
Managing Director
DIN-00032083

Sd/
Anupam Kumar
Partner
Membership No. 501531

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 25 May 2018

Consolidated cash flow statement for the year ended 31 March 2018

(Indirect Method)

(₹ in crores)

	Particulars	**Year ended 31 March 2018**	**Year ended 31 March 2017**
A	**Cash flow from operating activities:**		
	Profit before tax	736.58	554.15
	Adjustments for:		
	Depreciation and amortisation	21.46	22.48
	Share based payments to employees	4.80	7.06
	Interest income on fixed deposit	(51.39)	(25.71)
	Interest income on loans given to body corporate	(0.85)	(0.85)
	Net profit on disposal of property, plant and equipment	(0.05)	(0.06)
	Income from investments	(0.91)	(1.25)
	Finance costs	303.89	278.56
	Unwinding of discount on security deposits	1.03	0.35
	Foreign currency translation	2.02	(4.34)
	Unrealised gain on foreign exchange	(24.07)	(56.15)
	Actuarial loss/ (gain) forming part of other comprehensive income	0.75	(0.12)
	Adjustment due to fair valuation of gold loan at unfixed prices	(7.01)	(2.94)
	Fair valuation adjustment of forwards contracts	0.49	0.54
	Straight lining of lease expense	(0.22)	(1.39)
	Operating profit before working capital changes	**986.52**	**770.33**
	Adjustments for:		
	Increase in inventories	(1,070.01)	(323.28)
	Decrease in financial assets	14.15	32.27
	Decrease in non-financial assets	156.95	109.19
	Increase in trade receivables	(269.73)	(590.22)
	Increase in trade payables	620.33	875.69
	Increase in financial liabilities	22.53	25.19
	Increase in non-financial liabilities	35.96	75.55
	Increase in provisions	1.68	2.26
	Cash generated from operating activities	**498.38**	**976.98**
	Direct taxes paid	(140.75)	(182.63)
	Net cash generated from operating activities	**357.63**	**794.35**
B	**Cash flow from investing activities:**		
	Purchase of property, plant and equipment including capital advances	(29.74)	(19.19)
	Proceeds from disposal of property, plant and equipment	0.18	0.07
	Proceeds from redemption of current investments, net	(8.32)	(0.05)
	Loans given to body corporates	0.28	-
	Interest received	47.74	24.89
	Purchase of fixed deposits, net	(388.17)	(535.78)
	Net cash used in investing activities	**(378.03)**	**(530.06)**
C	**Cash flow from financing activities:**		
	(Repayment of)/proceeds from long term loans, net of repayments	(11.35)	427.29
	Proceeds from issue of compulsorily convertible preference shares	-	254.49
	Proceeds from allotment of employee stock options	0.08	0.04

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Proceeds from/(repayment of) of short term borrowings, net	391.00	(247.92)
Dividends paid including dividend distribution tax	(44.85)	(72.21)
Interest paid	(338.80)	(314.24)
Net cash used in financing activities	**(3.92)**	**(47.45)**
Net increase in cash and cash equivalents (A+B+C)	(24.32)	311.74
Cash and cash equivalents at the beginning of the year	411.26	99.52
Cash and cash equivalents at the end of the year (refer note 13)	**386.94**	**411.26**

Notes 1 to 52 form an integral part of these consolidated financial statements.

Notes 1 to 52 form an integral part of these consolidated financial statements.

This is the consolidated cash flow statement referred to in our report of even date

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Anupam Kumar
Partner
Membership No. 501531

Sd/
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/
Balram Garg
Managing Director
DIN-00032083

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 25 May 2018

Summary of significant accounting policies and other explanatory information to the Consolidated financial statements for the year ended 31 March 2018

1. Corporate information

Nature of operations

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.

General information and statement of compliance with Ind AS

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

iv. PC Jeweller Global DMCC Dubai ('PCJ DMCC') 100% subsidiary with effect from 8 June 2016

v. Comercializadora Internacional PC Jeweller International SAS, Columbia 100% subsidiary of PCJ DMCC with effect from 25 April 2017.

The following table summarises the principal line of activity of each subsidiary:

Subsidiaries	Principal activities
PC Universal Private Limited	Jewellery Manufacturing & Export
Transforming Retail Private Limited	Online Retail Trading in Jewellery
Luxury Products Trendsetter Private Limited	Jewellery Manufacturing & Trading
PC Jeweller Global DMCC	Jewellery Trading
Comercializadora Internacional PC Jeweller International SAS	Jewellery Trading

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('the Act') Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/ provisions of applicable laws.

The consolidated financial statements for the year ended 31 March 2018 were authorised and approved for issue by the Board of Directors on 25 May 2018. Revisions to financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

2. Application of new and revised Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorised have been considered in preparing these consolidated financial statements.

2.1 Standards issued but not effective

On 28 March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' and Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates'. The effective date for adoption is financials periods beginning on or after 01 April 2018.

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 establish the principles whereby an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity shall be required to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The standard permits two possible methods of transition:

(a) Retrospective approach- The standard shall be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

(b) Retrospective with cumulative effect of initial application of the standard recognised at the date of initial application (Cumulative catch-up transition method)

The Group is examining the methods of transition to be adopted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B, Foreign currency transactions and advance consideration to Ind AS 21:

Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Summary of significant accounting policies and other explanatory information to the Consolidated financial statements for the year ended 31 March 2018

The amendment will be effective on financials periods beginning on or after 01 April 2018. The Group is evaluating the requirements of the aforementioned amendment/ standard and does not expect the impact to be material.

3. Summary of significant accounting policies

a) Overall consideration

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

Basis of preparation

The consolidated financial statements have been prepared on a going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities (refer note 40 for further details); and
- Share based payments which are measured at fair value of the options at the grant date

  The consolidated financial statements of the Group are presented in Indian Rupees (₹) and all amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirements of schedule III to the Act, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding-off have been so stated by way of a note.

b) Principles of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 March 2018. All subsidiaries have a reporting date of 31 March 2018.

Subsidiaries are all entities over which control is exercised. Control is deemed to exist, only if there is:

a) power over the entity

b) exposure, or rights, to variable returns from its involvement with the entity; and

c) the ability to use its power over the entity to affect the amount of its returns.

The Group reassesses, whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of the financial statements of subsidiaries begins on the date control is established.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The Group combines the financial statements of the Parent Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Profit or loss and other comprehensive income of subsidiaries acquired of during the year are recognised from the effective date of acquisition.

c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Summary of significant accounting policies and other explanatory information to the Consolidated financial statements for the year ended 31 March 2018

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) **Foreign currency translation**

Initial recognition

Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Translation of foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Indian Rupees (₹) are translated into Indian Rupees (₹) upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Indian Rupees (₹) at the closing rate at the reporting date. Income and expenses have been translated into Indian Rupees (₹) at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

e) **Revenue recognition**

Sales of goods

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. 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. The Group applies the revenue recognition criteria to each separately identifiable component of the sales transaction. Revenue is recorded net of any discounts and gifts provided by the Group.

Interest and dividend Income

Interest income is recognised on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive the payment is established. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

f) **Property, plant and equipment**

Recognition and initial measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on written-down value, computed on the basis of useful lives (as set out below) prescribed in Schedule II the Act:

Asset category	Estimated useful life (in years)
Buildings	30
Plant and equipment	15
Office equipment	5
Computers	3 for data processing units and 6 for servers
Furniture and fixtures	10
Vehicles	8 for motor cars and 10 for scooters

Leasehold improvements have been amortised over the estimated useful life of the assets or the period of lease, whichever is lower. The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

g) **Intangible assets**

Recognition and initial measurement

Intangible assets include trademarks and computer software which were purchased by the Group. All items of intangible assets are stated at their cost of acquisition. The cost comprises purchase price, and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (depreciation and useful lives)

Amortisation of intangible assets is provided on written-down value for computer software and straight line method for trademarks, computed on the basis of useful lives (as set out below) prescribed in Schedule II the Act:

Asset category	Estimated useful life (in years)
Trademarks	10
Computer software	3

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

h) **Leased assets**

Group as a lessee

Operating leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

The Group does not execute any leases as a lessor.

i) **Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

j) **Financial instruments**

Financial assets

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

Subsequent measurement

i. Financial instruments at amortised cost – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Summary of significant accounting policies and other explanatory information to the Consolidated financial statements for the year ended 31 March 2018

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All the debt instruments of the Group are measured at amortised cost.

ii. Mutual funds – All mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Compound financial instrument

Compound financial instrument are separated into liability and equity components based on the terms of the contract. On issuance of the said instrument, the liability component is arrived by discounting the gross sum at a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is recognised as equity component of compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured.

Derivative contracts and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Group enters into purchase gold contract, in which the amount payable is not fixed based on gold price on the date of purchase, but instead is affected by changes in gold prices in future. Such transactions are entered into to protect against the risk of gold price movement in the purchased gold. Accordingly, such unfixed payables are considered to have an embedded derivative. The Group designates the gold price risk in such instruments as hedging instruments, with gold inventory considered to be the hedged item. The hedged risk is gold prices in USD.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Changes in fair value of the hedging instrument attributable to the risk hedged is recorded as part of the carrying value of the hedged item.

Other derivatives

The Group also uses foreign exchange forward contracts to hedge its exposure towards foreign currency. These foreign exchange forward contracts are not used for trading or speculation purposes. A derivative contract is recognised as an asset or a liability on the commitment date. Outstanding derivative contracts as at reporting date are fair valued and recognised as financial asset/ financial liability, with the resultant gain/(loss) being recognised in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k) **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

The Group applies approach permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

l) **Inventories**

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 and 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 costs of completion and estimated costs of necessary to make the sale.

m) **Income Taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ('OCI') or directly in equity.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income-tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

Deferred income-tax is calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit

Summary of significant accounting policies and other explanatory information to the Consolidated financial statements for the year ended 31 March 2018

and loss is recognised outside statement of profit and loss (either in OCI or in equity).

n) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

o) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

p) **Post-employment, long term and short term employee benefits**

Defined contribution plans

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.

Defined benefit plans

Gratuity is a post-employment benefit defined under The Payment of Gratuity Act, 1972 and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

q) **Share based payments**

Employee stock option plan

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in statement of profit and loss, with a corresponding adjustment to equity.

r) **Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

s) **Borrowing costs**

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

t) **Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

u) **Provisions, contingent assets and contingent liabilities**

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefit is probable, related asset is disclosed.

v) **Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

w) **Equity, reserves and dividend payment**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Parent Company are recorded separately within equity.

x) **Segment reporting**

The Group has two operating/reportable segments based on geographical area, i.e., domestic sales and export sales.

The operating segments is managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss. No asymmetrical allocations have been applied between segments

y) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements and estimates

The following are significant management judgements and estimates in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Summary of significant accounting policies and other explanatory information to the Consolidated financial statements for the year ended 31 March 2018

Classification of leases – The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recoverability of advances/receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 4: Property, plant and equipment

(₹ in crores)

Particulars	Freehold land	Buildings	Leasehold improve-ments	Plant and equipment	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
Gross block:									
As at 1 April 2016	**7.58**	**3.11**	**66.62**	**5.04**	**16.83**	**2.95**	**5.27**	**5.31**	**112.71**
Additions	-	2.21	8.86	0.22	4.33	1.72	0.98	1.34	**19.66**
Disposals	-	-	-	-	-	-	-	(0.17)	**(0.17)**
Foreign currency translation	-	(0.06)	-	-	-	-	-	-	**(0.06)**
As at 31 March 2017	**7.58**	**5.26**	**75.48**	**5.26**	**21.16**	**4.67**	**6.25**	**6.48**	**132.14**
Additions	3.13	4.10	8.02	1.79	4.10	0.93	0.82	2.54	**25.43**
Disposals	-	-	-	-	-	-	-	(1.39)	**(1.39)**
Foreign currency translation	-	0.04	-	-	-	-	-	-	**0.04**
As at 31 March 2018	**10.71**	**9.40**	**83.50**	**7.05**	**25.26**	**5.60**	**7.07**	**7.63**	**156.22**
Accumulated depreciation									
As at 1 April 2016	**-**	**0.29**	**10.73**	**1.04**	**6.94**	**1.20**	**1.10**	**1.29**	**22.59**
Depreciation charge for the year	-	0.32	11.96	0.66	5.70	1.08	1.24	1.39	**22.35**
Reversal on disposals	-	-	-	-	-	-	-	(0.02)	**(0.02)**
Foreign currency translation	-	-*	-	-	-	-	-	-	-*
As at 31 March 2017	**-**	**0.61**	**22.69**	**1.70**	**12.64**	**2.28**	**2.34**	**2.66**	**44.92**
Depreciation charge for the year	-	0.34	11.34	0.75	4.96	1.17	1.10	1.66	**21.32**
Reversal on disposals	-	-	-	-	-	-	-	(1.26)	**(1.26)**
Foreign currency translation	-	-*	-	-	-	-	-	-	-*
As at 31 March 2018	**-**	**0.95**	**34.03**	**2.45**	**17.60**	**3.45**	**3.44**	**3.06**	**64.98**
Net Block:									
As at 31 March 2018	10.71	8.45	49.47	4.60	7.66	2.15	3.63	4.57	**91.24**
As at 31 March 2017	7.58	4.65	52.79	3.56	8.52	2.39	3.91	3.82	**87.22**

** rounded off to nil*

Note 5: Intangible assets:

(₹ in crores)

	Trademark	Computer software	Total
Gross Block:			
As at 1 April 2016	**1.08**	**0.02**	**1.10**
Additions	-	0.02	0.02
As at 31 March 2017	**1.08**	**0.04**	**1.12**
Additions	0.51	0.01	0.52
As at 31 March 2018	**1.59**	**0.05**	**1.64**
Accumulated amortisation			
As at 1 April 2016	**0.02**	**-**	**0.02**
Amortisation charge for the year	0.11	0.02	0.13
As at 31 March 2017	**0.13**	**0.02**	**0.15**
Amortisation charge for the year	0.13	0.01	0.14
As at 31 March 2018	**0.26**	**0.03**	**0.29**
Net Block:			
As at 31 March 2018	1.33	0.02	**1.35**
As at 31 March 2017	0.95	0.02	**0.97**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 6: Financial assets - loans

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
(Unsecured and considered good)				
Security deposits	32.29	0.15	31.07	0.07
Loan to a body corporate (refer note (a) below)	8.26	0.77	8.54	0.77
Total	**40.55**	**0.92**	**39.61**	**0.84**

(a) Loan has been given to Shivani Sarees Private Limited for business purposes.

Note 7: Other financial assets

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
(Unsecured and considered good)				
Deposits with maturity of more than 12 months (refer note (a) below)	6.95	-	3.48	0.52
Foreign currency receivables, net	-	7.16	-	13.51
Others	-	0.02	1.13	2.22
Total	**6.95**	**7.18**	**4.61**	**16.25**
(a) Held as margin money for procurement of gold from suppliers against letter of credit	6.61		3.48	

Note 8: Deferred tax assets (net)

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Deferred tax asset arising on account of		
Difference between accounting base and tax base of property, plant and equipment	13.33	10.85
Provision for employee benefits	3.05	2.23
Deferred lease rent	1.90	1.45
Provision for discount	4.46	2.17
Financial assets and liabilities at amortised cost	0.60	0.60
Fair valuation of derivatives	0.40	0.23
Compound instruments	-	14.85
Losses carried forward	5.94	3.76
Minimum alternate tax credit entitlement	0.21	0.21
	29.89	**36.35**
Deferred tax liability arising on account of		
Financial assets at fair value through profit or loss	(0.45)	(0.56)
Valuation of inventory	(4.83)	(2.42)
	(5.28)	**(2.98)**
Net deferred tax assets	**24.61**	**33.37**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(a) Changes in deferred tax assets and deferred tax liabilities from 1 April 2017 to 31 March 2018

(₹ in crores)

Particulars	Opening balance as on 1 April 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2018
Deferred tax asset arising on account of					
Difference between accounting base and tax base of property, plant and equipment	10.85	2.48	-	-	13.33
Provision for employee benefits	2.23	1.08	(0.26)	-	3.05
Deferred lease rent	1.45	0.45	-	-	1.90
Provision for discount	2.17	2.29	-	-	4.46
Financial assets and liabilities at amortised cost	0.60	-	-	-	0.60
Fair valuation derivatives	0.23	0.17	-	-	0.40
Compound instruments (refer note below)	14.85	(8.64)	-	(6.21)	-
Losses carried forward	3.76	2.18	-	-	5.94
Minimum alternate tax credit entitlement	0.21	-	-	-	0.21
	36.35	**0.01**	**(0.26)**	**(6.21)**	**29.89**
Deferred tax liability arising on account of					
Financial assets at fair value through profit or loss	(0.56)	0.11	-	-	(0.45)
Valuation of inventory	(2.42)	(2.41)	-	-	(4.83)
	(2.98)	**(2.30)**	**-**	**-**	**(5.28)**
Net deferred tax assets	**33.37**	**(2.29)**	**(0.26)**	**(6.21)**	**24.61**

Note

During the year, the Parent Company has converted compulsorily convertible debentures (CCDs) into equity earlier than its due date of conversion and therefore, the deferred tax on the outstanding liability portion of CCDs amounting to ₹6.21 crores have been transfered to retained earnings.

(b) Changes in deferred tax assets and deferred tax liabilities from 1 April 2016 to 31 March 2017

(₹ in crores)

Particulars	Opening balance as on 1 April 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on 31 March 2017
Deferred tax asset arising on account of					
Difference between accounting base and tax base of property, plant and equipment	8.61	2.24	-	-	10.85
Provision for employee benefits	1.33	0.85	0.05	-	2.23
Deferred lease rent	1.66	(0.21)	-	-	1.45
Provision for discount	0.32	1.85	-	-	2.17
Financial assets and liabilities at amortised cost	0.48	0.12	-	-	0.60
Fair valuation derivatives	0.04	0.19	-	-	0.23
Compound instrument (refer note below)	-	(17.98)	-	32.83	14.85
Losses carried forward	0.95	2.81	-	-	3.76
Minimum alternate tax credit entitlement	0.21	-	-	-	0.21
	13.60	**(10.13)**	**0.05**	**32.83**	**36.35**
Deferred tax liability arising on account of					
Financial assets at fair value through profit and loss	(0.25)	(0.31)	-	-	(0.56)
Valuation of inventory	(1.40)	(1.01)	-	-	(2.42)
	(1.65)	**(1.32)**	**-**	**-**	**(2.98)**
Net deferred tax assets	**11.95**	**(11.45)**	**0.05**	**32.83**	**33.37**

Note

Deferred tax asset amounting ₹32.83 crores relating to liability component of compound financial instruments has been directly recognised in other equity.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 9: Other assets

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Capital advances	3.43	-	0.45	-
Advances to suppliers	-	29.70	-	246.64
Balances with statutory authorities	3.18	53.37	3.94	3.92
Prepaid expenses	21.30	5.17	23.98	4.88
Others	-	10.81	1.23	2.14
Total	**27.91**	**99.05**	**29.60**	**257.58**

Note 10: Inventories

(₹ in crores)

[See Note 3(I)]	As at 31 March 2018	As at 31 March 2017
Raw materials	672.27	648.63
Work-in-progress	2,182.07	1,124.75
Finished goods	2,272.70	2,335.67
Stock-in trade	130.55	78.38
	5,257.59	**4,187.43**

Note 11: Current financial assets - investments

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Investment in mutual funds (quoted) - at fair value through profit and loss		
Bank of India AXA Capital Protection Oriented Fund Series-5 (31 March 2018: 599,990 units, 31 March 2017: 599,990 units)	0.68	0.64
Kotak Capital Protection Oriented Scheme Series-1 Regular Growth Plan (31 March 2018: 100,000 units, 31 March 2017: 100,000 units)	0.12	0.11
ICICI Prudential Capital Protection Oriented Fund Series IV Regular Growth Plan (31 March 2018: 120,000 units, 31 March 2017: 120,000 units)	0.19	0.17
State Bank of India Equity Opportunities Fund Series 1- Regular Growth Plan (31 March 2018: nil, 31 March 2017: 2,000,000 units)	-	2.84
State Bank of India Equity Opportunities Fund Series 2- Regular Growth Plan (31 March 2018: nil, 31 March 2017: 500,000 units)	-	0.62
Canara Robeco Capital Protection Oriented Fund-Series 3 Regular Growth Plan (31 March 2018: nil , 31 March 2017: 14,999,400 units)	-	1.83
Canara Robeco Capital Protection Oriented Fund-Series 5 Regular Growth Plan (31 March 2018: 1,129,700 units, 31 March 2017: 1,129,700 units)	1.29	1.22
HDFC Top 200 Fund-Growth (31 March 2018: 4,661 units, 31 March 2017: nil)	0.20	-
HDFC CPO III - 1173D January 2015 - Regular Growth Plan (31 March 2018: 200,000 units, 31 March 2017: 200,000 units)	0.24	0.23
ICICI Prudential Capital Protection Oriented Fund Series VI Plan (31 March 2018: nil, 31 March 2017: 150,000 units)	-	0.18
State Bank of India Dual Advantage Fund Series III - Regular Growth Plan (31 March 2018: nil, 31 March 2017: 100,000 units)	-	0.12
Bank of India AXA Corporate Credit Spectrum Fund- Regular Growth Plan (31 March 2018: 541,158, 31 March 2017: 541,158 units)	0.72	0.78
Canara Robeco Capital Protection Oriented Fund Series 7 Regular Growth Plan (31 March 2018: 750,000 units, 31 March 2017: 750,000 units)	0.82	0.66
Canara Robeco Capital Protection Oriented Fund-Series 8 Regular Growth Plan (31 March 2018: 1,500,000 units, 31 March 2017: nil units)	1.57	-
Canara Robeco balanced - Regular Growth Plan (31 March 2018: 130,765 units, 31 March 2017: nil units)	1.89	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

	As at 31 March 2018	As at 31 March 2017
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth Plan (31 March 2018: 600,000 units, 31 March 2017: nil units)	0.60	-
Bank of India AXA Short Term Income Fund- Regular Growth Plan (31 March 2018: 269,826 units, 31 March 2017: nil)	0.51	-
ICICI Prudential Corporate Bond Fund - Regular Growth Plan (31 March 2018: 71,825 units, 31 March 2017: nil)	0.19	-
Union Focussed Largecap Fund Regular Growth Plan (31 March 2018: 1,007,438 units, 31 March 2017: nil)	1.03	-
State Bank of India dual advantage fund - Series - XXIII Regular Growth Plan (31 March 2018: 1,500,000 units, 31 March 2017: nil)	1.54	-
State Bank of India Magnum Balanced Fund - Regular Growth Plan (31 March 2018: 327,145 units, 31 March 2017: nil)	4.01	-
Union Capital Protection Oriented Fund Series 8- Regular Growth Plan (31 March 2018: 1,500,000 units, 31 March 2017: nil)	1.53	-
Union Asset Allocation Fund Growth Plan (31 March 2018: 989,531 units, 31 March 2017: nil)	1.50	-
	18.63	**9.40**
Aggregate amount of quoted investments and market value thereof	**18.63**	**9.40**

Note 12: Trade receivables

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Unsecured and considered good	1,851.31	1,538.04
	1,851.31	**1,538.04**

Note 13: Cash and cash equivalents

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Balances with banks - in current accounts	197.62	361.58
Cheques and drafts on hand	141.54	0.32
Cash on hand	30.77	49.36
Deposits with original maturity of less than 3 months	17.01	-
	386.94	**411.26**

Note 14: Other bank balances

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Deposits with maturity of more than 3 months but less than 12 months (refer note a and b below)	1,169.40	780.37
Unclaimed dividend account (refer note c below)	0.05	0.05
	1,169.45	**780.42**
(a) Held as margin money for procurement of gold from suppliers against Letter of credit.	1,122.33	555.72
(b) *Inter-alia* includes deposits of ₹19.19 crores which are earmarked.		
(b) Not due for deposit to the Investor Education and Protection Fund.		

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 15: Equity share capital

(₹ in crores)

	Number of shares	Amount
a) Authorised share capital		
Equity shares of ₹ 10 each		
Total authorised equity share capital as at 1 April 2016	225,000,000	225.00
Increase during the year	15,000,000	15.00
Total authorised equity share capital as at 31 March 2017	**240,000,000**	**240.00**
Increase during the year	200,000,000	200.00
Total authorised equity share capital as at 31 March 2018	**440,000,000**	**440.00**
Preference shares of ₹ 10 each		
Total authorised preference share capital as at 1 April 2016	-	-
Increase during the year	260,000,000	260.00
Total authorised preference share capital as at 31 March 2017	**260,000,000**	**260.00**
Increase during the year	-	-
Total authorised preference share capital as at 31 March 2018	**260,000,000**	**260.00**

Issued, subscribed and paid-up share capital:

(₹ in crores)

	Number of shares	Amount
Equity shares of ₹ 10 each		
Balance as at 1 April 2016	179,100,000	179.10
Issued on exercise of employee stock options	37,600	0.04
Balance as at 31 March 2017	**179,137,600**	**179.14**
Issued on exercise of employee stock options	75,200	0.08
Issue of bonus shares	179,212,800	179.21
Conversion of compulsorily convertible debentures into equity shares	22,473,600	22.47
Conversion of compulsorily convertible preference shares into equity shares*	13,456,000	13.46
Shares issued and fully paid as at 31 March 2018	**394,355,200**	**394.36**
Preference shares of ₹ 10 each		
Balance as at 1 April 2016	-	-
Increase during the year*	257,372,912	257.37
Balance as at 31 March 2017	**257,372,912**	**257.37**
Converted into equity shares*	257,372,912	257.37
Balance at the end of the year	**-**	**-**

*During the previous year, the Parent Company had issued compulsorily convertible preference shares ('CCPS'). CCPS are compound financial instruments and in accordance with Ind AS, the Parent Company had bifurcated amount so received into equity and liability components. The liability component amounting to ₹ 28.48 crores was reflected in borrowings and equity component (net of transaction cost of ₹ 2.57 crores) amounting to ₹ 226.32 crores was reflected in other equity. An amount of ₹ 2.40 crore (previous year ₹ 2.15 crore) has been recorded as finance cost on the liability component.

In the current year, the aforementioned CCPS have been converted into 13,456,000 equity shares as per terms of the agreement.

b) Terms and rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 equity shareholders.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Terms and rights attached to preference shares

During the year, the entire CCPS got converted into 13,456,000 equity shares of the Parent Company having face value of ₹10 each per terms of the agreement. However, the preference shareholders shall receive a mandatory dividend of 13% per annum upto the date of conversion which shall be paid after the approval in the ensuing Annual General Meeting.

c) Shares reserved for issue under options

(i) 3,461,867 equity shares are reserved for the issue under the Employees' stock option plan of the Parent Company. Information relating to Employees' stock option plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 36.

(ii) During the previous year, the Parent Company had issued compulsorily convertible debentures to be converted into equity shares within stipulated time. Per terms of the agreement, the same got converted to 22,473,600 equity shares of the Parent Company having face value of ₹10 each during the current year.

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

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹ 10 each				
Mr. Balram Garg	133,952,100	33.97%	66,976,050	37.39%
Mr. Padam Chand Gupta	100,743,600	25.55%	50,371,800	28.12%
IDRIA Limited	-**	-**	9,075,718	5.07%
	234,695,700	**59.52%**	**126,423,568**	**70.58%**

*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.

**Stake reduced to less than 5% of the shares of the Parent Company.

e) The shareholders of the Parent Company approved the issue of 179,212,800 equity shares as bonus shares which were subsequently alloted on 10 July 2017. Further the Parent Comany has alloted 11,236,800 equity shares as bonus shares on 19 August 2017 on conversion of compulsorily convertible debentures. Other than this, the Parent Company has not issued any shares pursuant to contract without payment being received in cash, or allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the date of balance sheet.

Note 16: Other equity

(₹ in crores)

	Sub-note	As at 31 March 2018	As at 31 March 2017
Retained earnings	(i)	2,520.40	1,998.02
General reserve	(ii)	54.54	54.54
Securities premium reserve	(iii)	898.83	519.35
Share options outstanding account	(iv)	15.37	13.89
Foreign currency translation reserve	(v)	(2.32)	(4.34)
Equity component of compulsorily convertible debentures (including deferred tax of ₹ 32.83 crores as at 31 March 2017)			
	(vi)	-	364.98
Equity component of compulsorily convertible preference shares	(vii)	-	226.32
		3,486.82	**3,172.77**

(i) Retained earnings

Retained earnings are created from the profit/ loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

(ii) General reserve

Under the Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with the Companies (Transfer of profits to Reserve) Rules, 1975. Consequent to introduction of the Act, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(iii) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(iv) Share options outstanding account

The reserve is used to recognise the grant date fair value of options issued to employees under employee stock option plan, over the vesting period.

(v) Foreign currency translation reserve

The Group's functional currency is Indian Rupees (₹). Some of the Group's entities prepares their financial statements in other foreign currencies and their respective financials are converted to Indian Rupees (₹) as per requirements of Ind AS 21 "The Effects of Changes in Foreign Exchange Rates" to enable the Parent Company to present its Consolidated Financial Statements as per the above mentioned requirements.

(vi) Equity component of compulsorily convertible debentures

During the previous year, the Parent Company had issued 4,269,984 compulsorily convertible debentures (CCDs) having face value of ₹ 1,000 each and in accordance with Ind AS, the Parent Company had bifurcated amount so received into equity and liability components.

The aforementioned CCDs has been converted into 22,473,600 equity shares having face value of ₹ 10 each during the current year.

(vii) Equity component of compulsorily convertible preference shares

During the previous year, the Parent Company had issued 257,372,912 Compulsorily Convertible Preference Shares (CCPS) having face value of ₹ 10 each and in accordance with Ind AS, the Parent Company had bifurcated amount so received into equity and liability components.

The aforementioned CCPS has been converted into 13,456,000 equity shares of the Parent Company as per terms of the agreement.

Note 17: Non-current financial liabilities - borrowings

(₹ in crores)

	Interest rate	Maturity date	As at 31 March 2018	As at 31 March 2017	Remarks
Secured					
Vehicle loans	8.80%-10.65%	May 2024	3.19	2.03	Refer note (i)
Term loans from banks	11.45%	November 2020	74.24	86.75	Refer note (ii)
			77.43	**88.78**	

	Effective interest rate	Maturity date	As at 31 March 2018	As at 31 March 2017	Remarks
Unsecured					
Liability component of compulsorily convertible preference shares	11.45%	September 2018	13.37	30.32	Refer note (iii)
Liability component of compulsorily convertible debentures	11.45%	January 2018	-	49.71	Refer note (iv)
			13.37	**80.03**	
Total borrowings			**90.80**	**168.81**	
Less: Current maturities of long term borrowings (refer note 21)			(61.30)	(111.11)	
Total			**29.50**	**57.70**	

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(i) Vehicle loans are secured by way of hypothecation of assets thus purchased.

(ii) Term loans from banks (including current maturities) aggregating to ₹ 74.24 crores (31 March 2017: ₹ 86.75 crores) are secured against first and exclusive registered mortgage charge on immovable properties belonging to the body corporate. These loans are further fully secured by personal guarantees of promoter directors and corporate guarantees of the said body corporates.

(iii) Liability component of CCPS represents the mandatory payments required under the terms of the CCPS, discounted at the effective interest rate. Mandatory dividend is payable at the rate of 13% per annum. Such dividend is payable on 30 September for the preceding financial year.

(iv) Liability component of CCDs represented the mandatory payments required under the terms of the CCDs, discounted at the effective interest rate. Interest was payable on CCDs at the rate of 13% per annum (16.25% per annum inclusive of tax deducted at source) and such payments had commenced from 4 July 2016 and were paid every quarter thereafter upto the conversion of the CCDs.

Note 18: Provisions

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	Current	Non-current	Current
Provision for employee benefits obligations (refer note 35)	6.57	2.21	6.23	0.88
	6.57	**2.21**	**6.23**	**0.88**

Note 19: Current financial liabilities - borrowings

(₹ in crores)

	Interest rate	Maturity date	As at 31 March 2018	As at 31 March 2017	Remarks
Secured (carried at amortised cost)					
Cash credit facilities	9.65% - 12.30%	Payable on demand	584.19	66.21	Refer note (i)
Packing credit facilities	5.75%-8.60%	Payable on demand	84.98	186.58	Refer note (i)
Post shipment credit facilities	5.75%-8.60%	Payable on demand	121.83	126.96	Refer note (i)
Demand loans	10.00%-10.95%	Payable on demand	85.00	60.00	Refer note (i)
Commercial papers	8.00%-8.50%	May 2018	148.97	194.22	Refer note (i)
Loans from related party	Nil	Payable on demand	0.03	0.03	Refer note (ii)
Total			**1,025.00**	**634.00**	

(i) Cash credit facilities, packing credit facilities, post shipment credit facilities, demand loans and commercial papers 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 promoter directors and their relatives and corporate guarantees and collateral securities of other companies.

(ii) Loan from related party consists of interest free loan taken by one of the subsidiary companies of the group from its director (refer note 37).

Note 20: Trade payables

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	0.54	0.39
- Total outstanding dues of creditors other than micro enterprises and small enterprises*	3,621.81	2,996.67
	3,622.35	**2,997.06**

* Includes gold on lease ₹ 3,438.54 crores (31 March 2017: ₹ 2,947.07 crores) on which interest is charged at 1.40% to 3.00% per annum (31 March 2017: 1.40% to 3.25% per annum).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 21: Other current financial liabilities

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Valued at amortised cost		
Current maturities of long term debt (refer note 17)	47.93	43.08
Current maturities of liability component of CCD (refer note 17)	-	49.71
Current maturities of liability component of CCPS (refer note 17)	13.37	18.32
Interest accrued but not due on borrowings	3.20	9.64
Unpaid dividends*	0.05	0.05
Application money received for allotment of securities to the extent refundable*	0.02	0.02
Creditors for capital goods	2.41	1.01
Employee related payables	7.89	6.76
Book overdraft	1.56	-
Others	32.99	12.87
	109.42	**141.46**

*Not due for deposit to the Investor Education and Protection Fund

Note 22: Other current liabilities

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Advances received from customers	18.44	9.62
Deposits received from customers	140.68	110.76
Statutory dues payable	5.68	8.70
Deferred revenue	11.18	5.35
Others	11.80	10.82
	187.78	**145.26**

Note 23: Current tax liabilities (Net)

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Provision for income-tax (net of prepaid taxes)	120.45	62.10
	120.45	**62.10**

Note 24: Revenue from operations

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products*	9,614.32	8,478.93
Sale of services	1.12	0.62
	9,615.44	**8,479.55**

*Revenue for the period ended 31 March 2018 is net of Goods and Service Tax (GST) which is applicable from 1 July 2017, however, revenue for the periods upto 30 June 2017 is net of value added tax but gross of excise duty. Accordingly, revenue for the year ended 31 March 2018 is not comparable with that of the previous year, presented in these financial statements.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 25: Other income

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on:		
fixed deposits with banks	51.39	25.71
loan to a body corporate	0.85	0.85
other financial assets carried at amortised cost	5.96	3.52
Gain on investments measured at FVTPL	0.91	1.25
Profit on disposal of property, plant and equipment	0.05	0.06
Net gain on foreign currency transactions and translations	29.64	64.31
Other non-operating income	2.28	1.55
	91.08	**97.25**

Note 26: Cost of materials consumed

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Raw material		
Balance at the beginning of the year	648.63	733.25
Add: purchases during the year	8,852.65	7,442.15
Balance at the end of the year	672.27	648.63
	8,829.01	**7,526.77**

Note 27: Purchases of stock-in-trade

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Purchases of stock-in-trade	489.17	309.58
	489.17	**309.58**

Note 28: Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Opening balance		
Work-in-progress	1,124.74	973.89
Finished goods	2,335.67	2,160.03
Stock-in-trade	78.38	-
	3,538.79	**3,133.92**
Closing balance		
Work-in-progress	2,182.07	1,124.74
Finished goods	2,272.70	2,335.67
Stock-in-trade	130.55	78.38
	4,585.32	**3,538.79**
Other inventory adjustments	(2.19)	1.29
	(1,044.34)	**(406.16)**

**rounded off to nil*

Note 29: Employee benefits expense

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	82.86	69.58
Contribution to provident and other funds (refer note 35)	4.51	4.10
Share based payments to employees	4.80	7.07
Staff welfare expenses	4.10	2.62
	96.27	**83.37**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 30: Finance costs

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on financial liabilities at amortised cost#	252.90	223.30
Interest on late deposit of advance tax	11.30	11.03
Other finance costs	39.69	44.23
	303.89	**278.56**

includes ₹ 136.41 crores (previous year ₹ 79.69 crores) as finance cost on gold on lease included in trade payables.

Note 31: Depreciation and amortisation expense

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	21.32	22.35
Amortisation of intangible assets	0.14	0.13
	21.46	**22.48**

Note 32: Other expenses

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Advertisement and publicity	60.65	24.06
Labour charges	36.22	37.11
Hallmarking charges	2.32	0.85
Consumption of packing material	3.82	2.46
Rent (refer note 45)	60.66	56.81
Business promotion	19.79	9.44
Communication	5.44	4.22
Repairs and maintenance-others	7.55	5.45
Discount and commission	12.80	9.98
Electricity and water	9.36	7.97
Vehicle running and maintenance	0.93	0.90
Insurance	3.25	2.35
Legal and professional (including payment to auditors) (refer note (a) below)	9.48	8.88
Rates and taxes	7.58	4.51
Printing and stationery	1.51	1.30
Security expenses	8.25	7.71
Travelling and conveyance	4.32	3.75
Bank charges	9.10	7.04
Donation	1.13	2.06
Expenditure on corporate social responsibility activities (refer note 46)	5.25	5.00
Miscellaneous	1.60	1.06
	271.01	**202.91**

Note: (a) **Payment to the auditors:**

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
- As auditors	0.57	0.86
- For other services including limited reviews	0.46	0.49
- For reimbursement of expenses	0.05	0.02
- Towards applicable taxes	-*	0.20
Total	**1.08**	**1.57**

**Rounded off to nil*

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 33: Current tax

(a) Income-tax expense through the statement of profit and loss

(₹ in crores)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax:		
Current tax on profits for the year	202.98	133.91
Adjustments for current tax of prior periods	(4.33)	(12.22)
	198.65	**121.69**
Deferred tax:		
In respect of current year origination and reversal of temporary differences	1.08	11.45
Adjustments due to changes in tax rates	1.21	-
Total tax expense	**200.94**	**133.14**

(b) Income-tax on other comprehensive income

(₹ in crores)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Re-measurement of defined benefit obligations	(0.26)	0.04
Total tax expense recognised in other comprehensive income	**(0.26)**	**0.04**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in crores)

	Year ended 31 March 2018	Year ended 31 March 2017
Accounting profit before income-tax	736.58	554.15
Applicable Indian statutory income-tax rate	34.61%	34.61%
Computed expected tax expense	254.93	191.79
Prior period adjustments	(4.33)	(12.22)
Effect of non-deductible expenses	9.11	8.32
Effect of lower tax rate on Indian subsidiaries	1.12	0.53
Effect of no tax on a foreign subsidiary	(1.80)	(0.75)
Income exempt from tax (see note below)	(66.63)	(54.53)
Effect on tax on amount of intercompany profit elimination	8.25	
Others	0.29	-
Income-tax expense reported in the statement of profit and loss	**200.94**	**133.14**
Effective income-tax rate	**27.28%**	**24.03%**

Note:

The Parent Company has three manufacturing units located in Noida Special Economic Zone, namely, unit I, unit II and unit III. Unit III is fully exempt from income-tax till 31 March 2021. Remaining units, i.e., unit I and unit II are partially 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 34: Earnings per share

Particulars	**Units**	**Year ended 31 March 2018**	**Year ended 31 March 2017**
The numerators and denominators used to calculate the basic and diluted EPS are as follows:			
Net profit attributable to shareholders for basic earnings per share	₹ in crores	**538.15**	**416.59**
Interest savings on compulsory convertible preference shares, net of tax	₹ in crores	2.40	1.20
Interest savings on compulsory convertible debentures, net of tax	₹ in crores	1.11	4.67
Net profit attributable to shareholders for diluted earnings per share	₹ in crores	**541.65**	**422.46**
Weighted average number of equity shares for basic earnings per share	**Nos.**	**380,076,598**	**358,275,200**
Effect of conversion of convertible debentures, convertible preference shares and exercise of share options	Nos.	7,739,238	27,970,416
Weighted average number of equity shares for diluted earnings per share	**Nos.**	**387,815,836**	**386,245,616**
Basic earnings per share	₹	14.16	11.64
Diluted earnings per share	₹	13.97	10.95

During the year, the shareholders of the Parent Company approved and subsequently alloted the issue of bonus shares in proportion of one bonus equity share for each equity share held which got duly allotted within the year. Accordingly, the basic and diluted earnings per share have been adjusted for the previous year presented in accordance with Ind AS 33 'Earnings per Share'.

Note 35: Employee benefits

(₹ in crores)

	As at 31 March 2018	**As at 31 March 2017**
Gratuity	6.96	5.69
Compensated absences	1.83	1.41
	8.79	**7.10**

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss and the amount recognised in the consolidated balance sheet for the defined benefit plan.

(₹ in crores)

	Gratuity benefits	
	As at 31 March 2018	**As at 31 March 2017**
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	5.69	3.87
Interest cost	0.42	0.31
Current service cost	1.40	1.49
Benefits paid	(0.24)	(0.10)
Actuarial (gain)/losse on obligation	(0.75)	0.12
Past sevice cost, including losses on curtailment	0.44	-
Closing defined benefit obligation	**6.96**	**5.69**
Expense recognised in the statement of profit and loss:		
Current service cost	1.40	1.49
Past service, including losses on curtailment	0.44	-
Interest cost	0.42	0.31
	2.26	**1.80**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

	Gratuity benefits	
	As at 31 March 2018	As at 31 March 2017
Expense/(income) recognised in the other comprehensive income:		
Net actuarial loss/(gain) in the year	(0.75)	0.12
	(0.75)	**0.12**
Net expense recognised in the total comprehensive income	**1.51**	**1.92**
Breakup of actuarial (gain)/loss		
Actuarial gain arising from change in demographic assumption	(1.47)	-
Actuarial loss arising from change in financial assumption	1.20	0.22
Actuarial gain arising from experience adjustment	(0.48)	(0.10)
	(0.75)	**0.12**

Actuarial assumptions used

	As at 31 March 2018	As at 31 March 2017
Discount rate	7.40% - 7.70%	7.40%
Long-term rate of compensation increase	8.00% - 10.00%	8.00%
Average remaining life	24.54 - 29.50	25.22 - 29.52

Demographic assumptions used

	As at 31 March 2018	As at 31 March 2017
Mortality table	IALM(2006-08)	IALM(2006-08)
Retirement age	60 years	60 years
Average remaining life	24.54 - 29.5	25.22 - 29.35

These assumptions were developed by the management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

(₹ in crores)

	As at 31 March 2018		As at 31 March 2017	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
(Decrease)/ increase in the defined benefit liability	(0.25)	0.27	(0.43)	0.50
Salary growth rate				
Increase/ (decrease) in the defined benefit liability	0.24	(0.23)	0.46	(0.41)
Average life expectancy				
Increase/ (decrease) in the defined benefit liability	negligible	negligible	negligible	negligible

The present value of the defined benefit obligation calculated with the same method (projected unit credit) as the defined benefit obligation recognised in the consolidated balance sheet. The sensitivity analysis is based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another since some of the assumptions may be co-related.

Based on historical data, the Group expects contributions of ₹ 1.84 crores in the next 12 months.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

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

(₹ in crores)

	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligations	6.96	5.69	3.88	3.05	1.87
Experience (loss)/gain adjustments on planned liabilities	(0.24)	(0.10)	0.50	0.25	0.04

Compensated absences

The leave obligations cover the Parent Company's liability for sick and earned leaves. The Parent Company does not have an unconditional right to defer settlement for the obligation shown as current provision above. However, based on past experience, the Parent Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Therefore, based on the independent actuarial report, provision of compensated absenses has been bifurcated as current and balance as non-current.

Actuarial assumptions used

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	7.40%	7.40%
Expected salary escalation rate	10.00%	8.00%

Defined contribution plans

The Group has certain defined contribution plans. In case of companies included in the Group which are incorporated in India, contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 2.97 crores (31 March 2017: ₹ 3.01 crores).

Note 36: Employee Stock Option Plan

PC Jeweller Limited Employee Stock Option Plan 2011

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.

The plan is implemented by the Nomination and Remuneration Committee constituted by the Parent Company under the policy and framework laid down by the Parent Company and/ or the Board of Directors of the Parent Company, in accordance with the authority delegated to the Nomination and Remuneration 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 the Board of Directors in this regard. The issuance of the shares are under the guidance, advice and directions of the Nomination and Remuneration Committee.

Each stock option entitles the grantee thereof to apply for and be allotted one equity share of the Parent Company upon vesting. Vesting of the options shall take place over a period of 4 years with a minimum vesting period of 1 year from the grant date.

(a) 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

The options granted shall vest so long as the employee continues to be in employment with the Parent Company, i.e., the options will lapse if the employment is terminated prior to vesting. Even after the options are vested, un-exercised options may be forfeited if the services of the employee are terminated for reasons specified in the Plan.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(b) Set out below is a summary of options granted under the Plan:

	31 March 2018		31 March 2017	
	Average exercise price per share	Number of options	Average exercise price per share	Number of options
Balance at the beginning of the year	**10.00**	**688,700**	**10.00**	**726,300**
Options granted during the year*	10.00	1,032,537	-	-
Options exercised during the year	10.00	75,200	10.00	37,600
Options lapsed during the year	10.00	20,000	-	-
Balance at the end of the year	**10.00**	**1,626,037**	**10.00**	**688,700**
Vested and exercisable	10.00	85,090	10.00	35,030

**includes 782,537 options granted due to corporate action to existing option holders.*

(c) Exercise price and expiry dates of share options outstanding at the end of the year:

Grant date	Weighted average remaining contractual life of options outstanding as on		Expiry date	Average exercise price per share	Total share options granted	Share options outstanding as on 31 March 2018	Share options outstand-ing as on 31 March 2017
	31 March 2018	31 March 2017					
14 May 2015	5.12	6.12	13 May 2023	10.00	726,300	593,500	688,700
25 May 2017	7.16	-	24 May 2025	10.00	50,000	50,000	-
01 August 2017	7.34	-	31 July 2025	10.00	100,000	100,000	-
19 January 2018	7.81	-	18 January 2026	10.00	882,537	882,537	-
Total						**1,626,037**	**688,700**

(d) The fair value of the options granted has been calculated on the date of grant using Black Scholes Option Pricing Model with the following assumptions:

(i)	Grant date	14 May 2015	25 May 2017	1 August 2017	19 January 2018
(ii)	Expiry date	13 May 2023	24 May 2025	31 July 2025	18 January 2026
(iii)	Fair value of options granted (per share)	₹ 318.22	₹ 393.99	₹ 231.55	₹ 536.47
(iv)	Exercise price	₹ 10	₹ 10	₹ 10	₹ 10
(v)	Share price at grant date	₹ 328.50	₹ 452.60	₹ 251.75	₹ 587.35
(vi)	Weighted historical volatility (%)	52.61	52.82	52.48	51.85
(vii)	Time to maturity-years	8 years	8 years	8 years	8 years
(viii)	Expected dividend yield (%)	0.71	1.23	1.23	1.23
(ix)	Risk free interest rate (%)	7.97- 8.03	6.82- 7.09	6.50- 6.83	7.26- 7.37

The volatility used in the Black Scholes Option Pricing Model is the annualised 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 Parent Company was listed on BSE Limited and National Stock Exchange of India Limited on 27 December 2012. The volatility is determined by taking into account the period since the listing of the Parent Company.

Note: 37 Related party transactions:

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" name of the related parties, related party relationships, transactions and outstanding balances including commitments where common control exist and with whom transactions have taken place during the reported period are as follows:

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

List of related parties

Relationship	Name of related party
Key management personnel (KMP)*	Mr. Padam Chand Gupta
	Mr. Balram Garg
Relatives of key management personnel**	Mr. Nitin Gupta (Son of Mr. Padam Chand Gupta)
	Mr. Sachin Gupta (Son of Mr. Padam Chand Gupta)
	Mrs.Krishna Devi (Wife of Mr. Padam Chand Gupta)
	Mrs.Pooja Garg (Wife of Mr. Balram Garg)
Other entities in which KMP has significant influence	Padam Chand, Hindu Undivided Family
	Balram Garg, Hindu Undivided Family

*also refer note 15(d) for parties with more than 50% voting rights, individually or collectively.
**where transactions have occurred during the reporting period.

Details of transaction between the Group and its related parties are disclosed below:

(₹ in crores)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Transactions during the year				
Remuneration paid				
Mr. Balram Garg	7.20	6.90	-	-
Mr. Nitin Gupta	0.42	0.39	-	-
	7.62	**7.29**	**-**	**-**
Rent paid				
Mr. Padam Chand Gupta	5.59	5.37	-	-
Mr. Balram Garg	0.37	0.26	-	-
Mr. Nitin Gupta	0.78	0.77	-	-
Mr. Sachin Gupta	0.78	0.77	-	-
	7.52	**7.17**	**-**	**-**
Final dividend paid				
Mr. Balram Garg	6.70	22.43	-	-
Mr. Padam Chand Gupta	5.04	16.87	-	-
Others	0.42	2.24	0.11	0.36
	12.16	**41.54**	**0.11**	**0.36**
Sitting fees paid				
Mr. Padam Chand Gupta	0.04	0.05	-	-
	0.04	**0.05**	**-**	**-**

Note: Exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done for the Company as a whole.

(₹ in crores)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Balance outstanding at the year end				
Other current liabilities - remuneration				
Mr. Balram Garg	0.39	0.38	-	-
Mr. Nitin Gupta	0.03	0.02	-	-
	0.42	**0.40**	**-**	**-**
Rent payable:				
Mr. Balram Garg	-	0.22	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(₹ in crores)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Mr. Padam Chand Gupta	-	4.94	-	-
Mr. Nitin Gupta	-	0.66	-	-
Mr. Sachin Gupta	-	0.66	-	-
	-	**6.48**	**-**	**-**
Loan repayable:				
Mr. Padam Chand Gupta	0.03	0.03	-	-
	0.03	**0.03**	**-**	**-**

During the year, the Parent Company has paid short-term employee benefits (including sitting fee) amounting ₹ 7.24 crores (previous year ₹ 6.95 crores) included in key management personnel's compensation. As the liability for gratuity and leave encashment are provided on acturial basis for the Parent Company as a whole, amounts accrued pertaining to key management personnel are not included in the above schedule. There are no amounts outstanding of post-employment benefits, other long-term benefits, termination benefits and share-based payment for the current and previous year pertaining to KMPs.

Note 38: Segment reporting

The Group is engaged in the business of manufacture, trading and sale of gold jewellery, diamond studded jewellery and silver articles of various designs/ specifications. The Group's manufacturing facilities are located in India. Management currently identified different geographical areas, i.e., domestic sales and export sales as operating segments. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results.

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Group level.

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

(a) Information about Business Segment - Primary for the year ended 31 March 2018

	Export		Domestic		Eliminations		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Revenue								
Sale of goods	3,093.51	3,068.05	7,130.13	5,420.75	609.32	9.87	**9,614.32**	**8,478.93**
Sale of services	-	-	1.35	0.70	0.23	0.08	**1.12**	**0.62**
Total revenue	**3,093.51**	**3,068.05**	**7,131.48**	**5,421.45**	**609.55**	**9.95**	**9,615.44**	**8,479.55**
Finance income	23.73	15.14	51.22	40.72	15.84	24.54	**59.11**	**31.33**
Segment results								
Total profit before finance cost and unallocable expenditure	225.66	204.07	857.82	645.59	23.84	-	**1,059.64**	**849.66**
Finance cost	124.59	95.87	183.84	196.20	15.84	24.54	**292.59**	**267.53**
Unallocated expense	-	-	-	-	-	-	**30.47**	**27.98**
Net profit before tax	**101.07**	**108.20**	**673.98**	**449.39**	**8.00**	**(24.54)**	**736.58**	**554.15**
Income tax expense	-	-	-	-	-	-	**200.94**	**133.14**
Net profit after tax	**101.07**	**108.20**	**673.98**	**449.39**	**8.00**	**(24.54)**	**535.64**	**421.01**
Assets								

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

	Export		Domestic		Eliminations		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Segment assets	2,612.78	2,682.68	6,359.38	4,679.09	40.68	6.05	**8,931.50**	**7,355.72**
Non-current assets in foreign jurisdiction	-	-	-	2.11	-	-	**-**	**2.11**
Unallocated assets	-	-	-	-	256.36	422.24	**52.96**	**38.77**
Total assets	**2,612.78**	**2,682.68**	**6,359.38**	**4,681.20**	**297.04**	**428.29**	**8,984.46**	**7,396.60**
Liabilities								
Segment liabilities	2180.55	2910.77	2931.37	1359.13	137.74	294.36	4,974.18	3,975.54
Unallocated liabilities	-	-	-	-	-	-	129.10	69.15
Total liabilities	**2,180.55**	**2,910.77**	**2,931.37**	**1,359.13**	**137.74**	**294.36**	**5,103.28**	**4,044.69**
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts	0.06	0.03	24.19	25.16	-	-	24.25	25.19
Capital expenditure	0.06	0.03	25.88	19.65	-	-	**25.94**	**19.68**
Total capital expenditure	**0.06**	**0.03**	**25.88**	**19.65**	**-**	**-**	**25.94**	**19.68**
Depreciation and amortisation	0.29	0.32	21.17	22.16	-	-	21.46	22.48
Total depreciation and amortisation	**0.29**	**0.32**	**21.17**	**22.16**	**-**	**-**	**21.46**	**22.48**
Non cash expenditures other than depreciation (net)								
Unrealised foreign exchange gain	(26.34)	(46.53)	2.27	(9.62)	-	-	(24.07)	(56.15)

Segment assets are inclusive of capital advances.
Capital expenditure pertains to additions made to property, plant and equipment and intangible assets during the year.

Note 39: Hedging activity and derivatives

The Group enters into foreign currency forward contracts to hedge against the foreign currency risk relating to payment of foreign currency payables. The Group does not apply hedge accounting on such relationships. Further, the Group does not enter into any derivative transactions for speculative purposes.

Fair value hedge of gold price risk in inventory

The Group enters into contracts to purchase gold wherein the Group has the option to fix the purchase price based on market price of gold during a stipulated time period. The prices are linked to gold prices. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of inventory of gold due to volatility in gold prices. The Group designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Group designates only the spot-to-spot movement of the gold inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. There is no ineffectiveness in the relationships designated by the Group for hedge accounting.

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of inventory attributable to change in gold prices

Hedging instrument - Changes in fair value of the option to fix prices of gold purchases, as described above

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

As at 31 March 2018

(₹ in crores)

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Impact of change in fair value relating to the hedged risk
	Assets	Liabilities	Assets	Liabilities				
Hedged item - inventory of gold	593.99	-	Not applicable	Not applicable	Range - within 6 months	1:1	Inventory	20.27
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	-	20.27	Range - within 6 months		Trade payables	(20.27)

As at 31 March 2017

(₹ in crores)

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Impact of change in fair value relating to the hedged risk
	Assets	Liabilities	Assets	Liabilities				
Hedged item - inventory of gold	569.45	-	Not applicable	Not applicable	Range - within 6 months	1:1	Inventory	(8.43)
Hedging instrument: option to fix gold prices	Not applicable	Not applicable	8.43	-	Range - within 6 months		Trade payables	8.43

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. There was no hedge ineffectiveness in any of the periods presented above.

(ii) Exposure in foreign currency- Hedged

The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

Outstanding overseas exposure hedged by forward option/ contract against adverse currency fluctuation:

Particulars	Currency	31 March 2018		31 March 2017	
		Foreign currency	Local currency (in crores)	Foreign currency	Local currency (in crores)
Export receivables	USD	25,880,000	168.33	10,999,489	71.32
Import creditors	USD	138,597,688	881.51	71,577,994	464.10

(iii) Exposure in foreign currency- Unhedged

The Group enters into forward exchnage contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into derivative intruments for trading or speculation purposes.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Outstanding overseas exposure not being hedged against adverse currency fluctuation:

Particulars	Currency	31 March 2018		31 March 2017	
		Foreign currency	Local currency (in crores)	Foreign currency	Local currency (in crores)
Export receivables	USD	244,619,774	1,591.11	183,125,467	1,208.15
Import creditors	USD	153,898,949	988.82	170,876,587	1,107.47

Note 40: Financial instruments

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in crores)

	Level 1	Level 2	Level 3	Total
As at 31 March 2018				
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	18.63	-	-	**18.63**
Derivative instruments				
Forward contracts	-	7.16	-	**7.16**
Total financial assets	**18.63**	**7.16**	**-**	**25.79**
Financial liabilities				
Derivative instruments				
Forward contracts	20.27	-	-	**20.27**
Total financial liabilities	**20.27**	**-**	**-**	**20.27**
As at 31 March 2017				
Financial assets				
Investments at fair value through profit and loss				
Mutual funds	9.40	-	-	**9.40**
Derivative instruments				
Option to fix prices of gold in purchase contracts	8.43	-	-	**8.43**
Forward contracts	-	13.49	-	**13.49**
Total financial assets	**17.83**	**13.49**	**-**	**31.32**

(ii) Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) The use of quoted market prices for investments in mutual funds.

(b) Use of market available inputs such as gold prices and foreign exchange rates for option to fix prices of gold in purchase contracts and foreign currency forward contracts.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 41: Financial risk management

i) Financial instruments by category

(₹ in crores)

Particulars	31 March 2018 FVTPL	31 March 2018 Amortised cost	31 March 2017 FVTPL	31 March 2017 Amortised cost
Financial assets				
Investments - mutual funds	18.63	-	9.40	-
Loans - to a body corporate	-	9.03	-	9.31
Trade receivables	-	1,851.31	-	1,538.04
Security deposits	-	32.44	-	31.14
Cash and cash equivalents	-	386.94	-	411.26
Other receivables	-	0.03	-	3.37
Derivative financial asset	7.16	-	13.49	-
Unclaimed dividend account	-	0.05	-	0.05
Bank deposits	-	1,176.35	-	784.38
Total	**25.79**	**3,456.15**	**22.89**	**2,777.54**
Financial liabilities				
Borrowings	-	1,054.50	-	691.70
Trade payables*	-	3,622.35	-	2,997.06
Other financial liabilities	-	109.42	-	141.46
Total	**-**	**4,786.27**	**-**	**3,830.22**

* Trade payables includes value of the option to fix prices on gold purchases (embedded derivative) that is carried at FVTPL. The value of such embedded derivative which is financial liability of ₹ 20.27 crores as at 31 March 2018 (31 March 2017: financial asset ₹ 8.43 crores) is added to value of the trade payables (as discussed further below).

(a) The carrying value of trade receivables, securities deposits, insurance claim receivable, loans given, cash and bank balances and other financial assets recorded at amortised cost, is considered to be a reasonable approximation of fair value.

(b) The carrying value of borrowings, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following table presents the option to fix prices on gold purchases that are added to/offset with trade payables, as at 31 March 2018 and 31 March 2017

(₹ in crores)

Particulars	Amount of trade payables	Gross amounts added to/set off in the balance sheet	Net amounts presented in the balance sheet
31 March 2018	3,602.08	20.27	3,622.35
31 March 2017	3,005.49	(8.43)	2,997.06

'Option to fix prices on gold purchases is an embedded derivative that will be settled together with the trade payables. Accordingly, such amounts are either added to or offset with but are shown separately in the table above.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

ii) Risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting sensitivity analysis	Forward contracts
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Mix of borrowings taken at fixed and floating rates
Market risk - gold prices	Payables linked to gold prices	Sensitivity analysis	Used as a hedging instrument for gold inventory
Market risk - security price	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by a central treasury department of the Group under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, market risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Group causing financial loss. It arises from cash and cash equivalents, deposits from banks and financial institutions, security deposits and principally from credit exposures to customers relating to outstanding receivables. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Group has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, mutual funds, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

Group provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. As the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Detail of trade receivables that are past due is given below:

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Not due	1,341.92	1,278.27
0-30 days past due	157.72	117.26
31-60 days past due	289.61	105.21
61-90 days past due	55.78	0.65
More than 90 days past due	6.28	36.65
	1,851.31	**1,538.04**

Concentration of financial assets

Concentration of credit risk with respect to trade receivables are limited, due to the Group's consumer base being large and diverse. All trade receivable are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables is that credit risk is low. The Group's exposure to credit risk for trade receivables is presented below:

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Export wholesale customers	1,795.43	1,334.27
Domestic wholesale customers	31.35	183.31
Franchise stores	23.39	19.06
Others	1.14	1.40
	1,851.31	**1,538.04**

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which it operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Expiring within one year (bank overdraft and other facilities)	38.29	318.98
	38.29	**318.98**

Contractual maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(₹ in crores)

31 March 2018	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
Borrowings	876.03	221.82	20.17	11.34	0.70	**1,130.06**
Trade payables	-	3,622.35	-	-	-	**3,622.35**
Other financial liabilities	-	40.95	-	-	-	**40.95**
Total	**876.03**	**3,885.12**	**20.17**	**11.34**	**0.70**	**4,793.36**

(₹ in crores)

31 March 2017	Payable on demand	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives						
Borrowings	439.78	329.51	35.69	19.66	10.95	835.59
Trade payables	-	2,997.06	-	-	-	2,997.06
Other financial liabilities	-	21.73	-	-	-	21.73
Total	**439.78**	**3,348.30**	**35.69**	**19.66**	**10.95**	**3,854.38**

C) Market risk - foreign exchange

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group, as per its overall strategy, uses forward contracts to mitigate its risks associated with fluctuations in foreign currency, and such contracts are not designated as hedges under Ind AS 109. The Group does not use forward contracts and swaps for speculative purposes.

Sensitivity

The sensitivity to profit and loss from changes in the exchange rates arises mainly from financial instruments denominated in USD. In case of a reasonably possible change in INR/USD exchange rates of +/- 4% (previous year +/-4%) at the reporting date, keeping all other variables constant, there would have been a corresponding impact on profits of ₹ 31.69 crores (previous year ₹ 27.50 crores).

D) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2018, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

(₹ in crores)

Particulars	31 March 2018	31 March 2017
Variable rate borrowing	791.00	379.75
Fixed rate borrowing	324.80	423.05
Total borrowings	**1,115.80**	**802.80**

Sensitivity

The sensitivity to profit or loss in case of a reasonably possible change in interest rates of +/- 50 basis points (previous year: +/- 50 basis points), keeping all other variables constant, would have resulted in a corresponding impact on profits by ₹ 2.59 crores (previous year ₹ 1.24 crores).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

ii) Assets

The Group's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

E) Price risk

Exposure from investments in mutual funds:

The Group's exposure to price risk arises from investments in mutual funds held by the Group and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity:

The sensitivity to profit or loss in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in a corresponding impact on profits by ₹ 0.61 crores (previous year ₹ 0.31 crores).

Exposure from trade payables:

The Group's exposure to price risk also arises from trade payables that are at unfixed prices, and, therefore, payment is sensitive to changes in gold prices. The option to fix gold prices are classified in the balance sheet as fair value through profit or loss. The option to fix gold prices are at unfixed prices to hedge against potential losses in value of inventory of gold held by the Group.

The Group applies fair value hedge for the gold purchased whose price is to be fixed in future. Therefore, there is no impact of the fluctuation in the price of gold on the Group's profit for the period.

Note 42: Capital management

The Group' s capital management objectives are:

- to ensure the Group's ability to continue as a going concern

- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in the economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(₹ in crores)

(a)	Particulars	31 March 2018	31 March 2017
	Non-current borrowings (refer note 17)	29.50	57.70
	Current borrowings (refer note 19)	1,025.00	634.00
	Current maturities of long-term borrowings and interest accrued (refer note 21)	64.50	120.75
	Less: Cash and cash equivalents (refer note 13)	(386.94)	(411.26)
	Net debts	**732.06**	**401.19**
	Equity share capital (refer note 15)	394.36	179.14
	Other equity (refer note 16)	3,486.82	3,172.77
	Total Capital	**3,881.18**	**3,351.91**
	Gearing ratio	**18.86%**	**11.97%**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

(₹ in crores)

(b) Dividends

Particulars	**31 March 2018**	**31 March 2017**
(i) Equity shares		
Final dividend for the year ended 31 March 2016 of ₹ 3.35 per share	-	60.00
Final dividend for the year ended 31 March 2017 of ₹ 1.00 per share	17.92	-
Dividend distribution tax on final dividend for the year ended 31 March 2016	-	12.21
Dividend distribution tax on final dividend for the year ended 31 March 2017	3.65	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, the Board of Directors have recommended the dividend of ₹ 0.55 (previous year ₹ 0.75) per fully paid preference share. This proposed dividend is subject to approval of shareholders at the ensuing Annual General Meeting.	14.21	19.34
In addition to the above dividends, the Board of Directors have recommended a dividend of ₹ 0.50 (previous year ₹ 1.00) per fully paid equity share. This proposed dividend is subject to approval of shareholders at the ensuing Annual General Meeting.	19.72	17.91
Dividend distribution tax on the proposed dividend for equity shareholders	4.05	3.65
Dividend distribution tax on the proposed dividend for preference shareholders	2.92	3.94

Note 43: Micro, Small and Medium Enterprises

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 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	**Year ended 31 March 2018**	**Year ended 31 March 2017**
(a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006:		
Principal amount due to micro and small enterprises	0.54	0.39
Interest due on above	-*	-
(b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-*	-
(e) 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	-*	-

** Round off to nil*

Note 44: Contingent liability

(₹ in crores)

	As at 31 March 2018	**As at 31 March 2017**
Claims against the Group not acknowledged as debts*#	0.97	0.97
Demand from the income-tax authorities (amount paid under protest ₹ 0.22 crores)	5.86	6.26
Demands from the custom authorities against which appeals have been filed (amount paid under protest ₹ 2.43 crores)	2.43	2.43
Demands from the the sales tax authorities against which appeals have been filed	8.24	8.53
Estimated amount of contracts remaining to be executed on capital account and not provided for	1.03	0.64

*Excluding interest which is not ascertainable.
#The Parent Company has furnished bank guarantee amounting to ₹ 0.42crore for ongoing litigations.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note 45: Disclosures in respect of non-cancellable operating leases

The Group leases various offices and retail stores under non-cancellable operating leases with different periods. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Contractual lease expense are summarised as below.

(₹ in crores)

	As at 31 March 2018	As at 31 March 2017
Upto one year	51.39	46.39
Two to five years	159.11	151.11
More than five years	54.55	38.39
	265.05	**235.89**
Lease payments under operating leases are disclosed as 'rent' in the consolidated statement of profit and loss	60.66	56.81

Note 46: Corporate social responsibility ('CSR')

The Parent Company's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of the Act. The CSR committee has been formed by the Parent Company as per the Act. A 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.

a) *Gross amount required to be spent by the Parent Company during the year is ₹ 10.94 crores (previous year ₹ 10.32 crores)*

b) *Amount spent during the year on CSR (excluding 5% administrative expenses)*

(₹ in crores)

S.No	Particulars	In cash	Yet to be paid in cash	Total
		-		-
(i)	Construction/ acquisition of any asset	-		-
(ii)	On purpose other than (i) above	5.25		5.25

Note 47: Disclosure on specified bank notes (SBN)

During the previous year, the Group had specified bank notes or other denomination notes in entities which are companies in India, as defined in the MCA notification G.S.R. 308(E) dated 30 March 2017, on the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in crores)

	SBNs	Other denomination notes	Total
Closing cash in hand on 8 November 2016	336.97	0.17	337.14
Add: Permitted receipts	-	22.08	22.08
Less: Permitted payments	-	2.50	2.50
Less: Amount deposited in the banks	336.97	16.64	353.61
Closing cash in hand on 30 December 2016	-	3.11	3.11

The Group does not maintain independent records of denomination of currency in its books of accounts.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

Note: 48-Group information:

Consolidated financial statements as at 31 March 2018 comprise the financial statements of PC Jeweller Limited and its subsidiaries, which are as under:

Subsidiaries	Principal activities	Country of incorporation	Status of financial statements as at 31 March 2018	% equity interest as at 31 March 2018	% equity interest as at 31 March 2017
A Indian subsidiaries:					
PC Universal Private Limited	Jewellery manufacturing and export	India	Audited	100	100
Transforming Retail Private Limited	Online retail trading in jewellery	India	Audited	100	100
Luxury Products Trendsetter Private Limited	Jewellery manufacturing and trading	India	Audited	100	100
B Foreign subsidiaries:					
PC Jeweller Global DMCC ('PCJ DMCC')	Jewellery trading	Dubai	Audited	100	100
Comercializadora Internacional PC Jeweller International SAS	Jewellery trading	Columbia	Audited	100	Not applicable

Notes:

1 PCJ DMCC has incorporated Commercializadora International PC Jeweller International SAS as its wholly owned subsidiary on 25 April 2017.

Note: 49-Statutory group information:

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	Net assets i.e. total assets less total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Indian Rupees (₹ in crores)	As % of consolidated profit/(loss)	Indian Rupees (₹ in crores)	As % of consolidated profit/(loss)	Indian Rupees (₹ in crores)	As % of consolidated profit/(loss)	Indian Rupees (₹ in crores)
Parent:								
PC Jeweller Limited	93.54	3,630.35	96.98	519.46	19.76	0.50	96.62	519.96
Subsidiaries:								
Indian:								
PC Universal Private Limited	1.91	74.40	3.95	21.14	-	-	3.93	21.14
Transforming Retail Private Limited	0.07	2.61	0.78	4.19	0.43	0.01	0.78	4.20
Luxury Products Trendsetter Private Limited	0.90	34.94	(2.68)	(14.37)	(0.52)	(0.01)	(2.67)	(14.38)
Foreign:								
PC Jeweller Global DMCC	3.57	138.41	1.18	6.30	82.32	2.06	1.55	8.36
Comercializadora Internacional PC Jeweller International SAS	0.01	0.47	(0.20)	(1.08)	(2.00)	(0.05)	(0.21)	(1.13)
Grand total	**100.00**	**3,881.18**	**100.00**	**535.64**	**100.00**	**2.51**	**100.00**	**538.15**

Note 50: Reconciliation of liabilities arising from financing activities pursuant to Ind AS -7 Cash flows

Particulars	Long term borrowings	Short term borrowings	Equity share capital	Total
Opening balance as at 01 April 2016	**88.49**	**881.92**	**179.10**	**1,149.51**
Proceeds from allotment of employee stock options	-	-	0.04	**0.04**
Proceeds from non-current borrowings (net)	427.29	-	-	**427.29**
Equity component of CCD	(364.98)	-	-	**(364.98)**
Movement in the liability components pertaining to CCD and CCPS	18.01	-	-	**18.01**
Repayment of current borrowings (net)	-	(247.92)	-	**(247.92)**
Closing balance as at 31 March 2017	**168.81**	**634.00**	**179.14**	**981.95**
Proceeds from allotment of employee stock options	-	-	0.08	**0.08**
Issue of bonus shares	-	-	179.21	**179.21**
Conversion of CCD and CCPS into equity shares	-	-	35.93	**35.93**
Movement in the liability components pertaining to CCD and CCPS	(66.66)	-	-	**(66.66)**
Repayment of non-current borrowings (net)	(11.35)	-	-	**(11.35)**
Proceeds of current borrowings (net)	-	391.00	-	**391.00**
Closing balance as at 31 March 2018	**90.80**	**1,025.00**	**394.36**	**1,510.16**

Note 51: Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorisation of the Company's consolidated financial statements. However, the Board of Directors of the Parent Company have recommended a dividend of ₹0.55 (previous year ₹0.75) on preference shares of ₹ 10 each, subject to approval of shareholders at the ensuing Annual General Meeting. Also, the Board of Directors have recommended a final dividend of 5%, i.e., ₹0.50 (previous year ₹1) on equity shares of ₹ 10 each for the year ended 31 March 2018, subject to approval of shareholders at the ensuing annual general meeting.

Note 52: Buyback of shares

On 10 May 2018, the Board of Directors of the Parent Company approved a buyback proposal for the purchase by the Parent Company of upto 12,114,285 equity shares of ₹ 10/- each (being 3.07 % of total paid up equity capital of the Parent Company) at a price of ₹ 350 per equity share, for an aggregate amount not exceeding ₹ 424 crore from the shareholders of the Parent Company on a proportionate basis through the tender offer route in accordance with the provisions contained in the SEBI (Buy Back of Securities) Regulations, 1988 and the Act, subject to applicable statutory/other requisite approvals.

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

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/
Ramesh Kumar Sharma
Executive Director & Chief Operating Officer
DIN-01980542

Sd/
Balram Garg
Managing Director
DIN-00032083

Sd/
Anupam Kumar
Partner
Membership No. 501531

Sd/-
Vijay Panwar
Company Secretary
Membership No. A19063

Sd/-
Sanjeev Bhatia
Chief Financial Officer

Place: New Delhi
Date: 25 May 2018

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

(₹ in lakhs)

Sl. No.	Particulars / Name of the subsidiary	PC Universal Private Limited	Transforming Retail Private Limited	Luxury Products Trendsetter Private Limited	PC Jeweller Global DMCC	Comercializadora Internacional PC Jeweller International S.A.S.*
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2017 to March 31, 2018	April 1, 2017 to March 31, 2018	April 1, 2017 to March 31, 2018	April 1, 2017 to March 31, 2018	April 1, 2017 to March 31, 2018
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	Reporting Currency INR Exchange Rate 1 AED = 17.6533 INR	Reporting Currency INR Exchange Rate 1 COP = 0.0233 INR
3	Share capital	5.00	1.00	1.00	13,385.51	160.89
4	Reserves & surplus	(876.48)	(496.82)	(1,208.96)	616.36	(113.79)
5	Total assets	13,177.06	300.56	4,235.97	14,293.12	81.77
6	Total Liabilities	14,048.54	796.38	5,443.93	291.25	34.67
7	Investments	0.00	0.00	0.00	160.89	0.00
8	Turnover	56,735.11	652.87	7,422.36	8,790.83	0.00
9	Profit before taxation	(411.81)	(223.13)	(863.06)	629.65	(108.35)
10	Provision for taxation	41.54	(36.31)	(187.64)	0.00	0.06
11	Profit after taxation	(453.35)	(186.82)	(675.42)	629.65	(108.41)
12	Proposed Dividend	0.00	0.00	0.00	0.00	0.00
13	% of shareholding	100.00	100.00	100.00	100.00	100.00

* The Company became step down subsidiary w.e.f. April 25, 2017.

1. Names of subsidiaries which are yet to commence operations: Comercializadora Internacional PC Jeweller International S.A.S.
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: Not Applicable
2. Names of associates or joint ventures which are yet to commence operations: Not Applicable
3. Names of associates or joint ventures which have been liquidated or sold during the year: Not Applicable

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
Vijay Panwar	Sanjeev Bhatia	Ramesh Kumar Sharma	Balram Garg
Company Secretary	**Chief Financial Officer**	**Executive Director & C.O.O.**	**Managing Director**
Membership No.A19063		DIN: 01980542	DIN: 00032083

NOTICE

Notice is hereby given that 13th Annual General Meeting of Members of PC Jeweller Limited will be held on **Saturday, September 29, 2018, at 3:30 P.M., at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003**, 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, 2018 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, 2018 and the report of Statutory Auditors thereon.

2. To declare dividend on equity shares for the financial year 2017 - 18.

3. To declare dividend on compulsorily convertible preference shares for the period from April 1, 2017 to September 1, 2017.

4. 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.

SPECIAL BUSINESS:

5. APPOINTMENT OF MRS. SANNOVANDA MACHAIAH SWATHI AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Sannovanda Machaiah Swathi (DIN: 06952954), who was appointed as an Additional Director in the capacity of an Independent Director with effect from January 19, 2018, pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years with effect from January 19, 2018 and she shall not be liable to retire by rotation."

6. RE-APPOINTMENT OF SHRI SURESH KUMAR JAIN AS AN INDEPENDENT DIRECTOR

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Suresh Kumar Jain (DIN: 05103064), whose first term as an Independent Director is expiring on September 18, 2018 and who was appointed as an Additional Director in the capacity of an Independent Director with effect from September 19, 2018, pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a further term of 5 years with effect from September 19, 2018 and he shall not be liable to retire by rotation."

7. AMENDMENT IN TERMS OF BORROWING POWERS OF THE BOARD

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed through Postal Ballot Notice dated July 28, 2014 under Section 180(1)(c) of the Companies Act, 2013 and pursuant to the provisions of Section 180(1)(c), Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules thereof (including any statutory modifications or re-enactments thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors including any Committee thereof (hereinafter referred to as the "Board"), to borrow from time to time and in any manner, any sum or sums of money (either in Indian Rupees or in Foreign Currency) for the purposes of the Company, with or without security and upon such terms and conditions including a term attached to the issue of debentures or raising of loans by the Company, to convert such debentures or loans into shares in the Company at the option of the lender(s), at a mutually acceptable formula, as the Board may in its discretion think fit and in the interest of the Company, notwithstanding that the money to be borrowed together with the money already borrowed by the Company {apart from temporary loans obtained or to be obtained from the Company's lender(s) in the ordinary course of business} may exceed aggregate of the paid-up share capital, free reserves and securities premium of the Company provided that the total amount so borrowed by the Company and outstanding at any time {apart from temporary loans obtained or to be obtained from the Company's lender(s) in the ordinary course of business}, shall not exceed the sum of Rs.6,000 crores (Rupees Six Thousand Crores only).

RESOLVED FURTHER THAT any sum or sums of money already borrowed by the Company by issue of debentures or raising of loans, within the borrowing limits earlier approved by Members by passing a Special Resolution, upon the terms and conditions approved by the Board including any Committee thereof, including a term attached to such borrowing to convert such debentures or loans into shares in the Company at the option of the lender(s), at a mutually acceptable formula, be and is hereby approved and ratified retrospectively.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, including execution of documents, instruments and writings and also delegation of aforesaid authority, as the Board may in its absolute discretion deem fit, necessary and expedient for the purpose of giving effect to this resolution, without any further reference to Members of the Company."

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

Sd/-
(VIJAY PANWAR)
Company Secretary

Place: New Delhi
Date: August 27, 2018

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("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.

2. The relevant details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of persons seeking appointment / re-appointment as Directors under Item Nos. 4, 5 and 6 of this Notice, are also annexed.

3. AGM Notice and Annual Report are being sent by e-mail to those Members who have registered their e-mail ID's with their Depository (in case of electronic shareholding) / the Company's Registrar and 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 ID's are not registered.

4. 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 24, 2018. 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 Karvy's website i.e. https://evoting.karvy.com.

5. Only those Members, whose names appear in the Register of Members / List of beneficial owners as on **Monday, September 24, 2018 ("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.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from September 22, 2018 to September 29, 2018 (both days inclusive) for the purpose of AGM and for determining the names of Members eligible for dividend on equity shares, if declared at the AGM.

7. The dividend, as recommended by the Board of Directors of the Company (Rs.0.50 per equity share for the financial year 2017-18), if declared at the AGM, will be paid on or before the 30th day from the date of declaration to:

   (a) all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as furnished by NSDL and CDSL as of the close of business hours on Friday, September 21, 2018; and

   (b) all those Members holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company / Karvy on or before the closing hours on Friday, September 21, 2018.

8. 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.

9. 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 8, 2017 (i.e. date of last AGM) on the website of the Company and also with the Ministry of Corporate Affairs. Dividend amounts 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 ("**IEPF**"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

10. 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**.

11. The Company shall also provide facility for voting through physical ballot paper at the AGM and Members attending the AGM, who have not already casted their votes by remote e-voting shall be able to exercise their right to vote at the AGM.

12. Members can opt for only one mode of voting i.e. either by remote e-voting or by physical ballot paper. However, if Members cast their vote through both mode of voting, then the voting through remote e-voting shall prevail.

13. The remote e-voting facility shall be available during the following period:

Commencement of remote e-voting	**:**	**From 9:00 A.M. on Wednesday, September 26, 2018**
End of remote e-voting	**:**	**Up to 5:00 P.M. on Friday, September 28, 2018**

The remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.

14. 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 ID's and along with physical copy of AGM Notice to those Members, who have not registered their e-mail ID's.

15. Any person, who acquires shares and become Member of the Company after the despatch of AGM Notice and holds shares as on the Cut-off Date i.e. September 24, 2018, may obtain the Login ID and Password in the manner mentioned below:

    (a) If the mobile number of Member is registered against Folio No. / DP ID - Client ID, 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 Member is registered against Folio No. / DP ID - Client ID, then on the home page of https://evoting.karvy.com, 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.

16. Members, who have casted their votes by remote e-voting may also attend the AGM but shall not be entitled to cast their votes again.

17. The Board of Directors has appointed Shri Randhir Singh Sharma, Practicing Company Secretary (CP No.: 3872), New Delhi as the Scrutinizer to scrutinize the remote e-voting and physical voting process at the AGM in a fair and transparent manner.

18. 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.

19. The result declared along with the Scrutinizer's Report will be displayed on the notice board of the Company at its Registered Office and placed on the Company's website www.pcjeweller.com and on Karvy's website https://evoting.karvy.com. The result shall also be submitted with the Stock Exchanges, where the Company's shares are listed.

20. 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 29, 2018.

21. 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 24, 2018 (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 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 V. Raghunath, Deputy Manager (RIS) at Karvy at e-mail id: raghu.veedha@karvy.com, contact no.:040-67161606 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.

22. 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.

23. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details / mandates, change of address, e-mail ID's etc., to their respective Depository Participants. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent i.e. Karvy.

24. Members 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 their respective Depository Participants / Karvy. Blank forms will be provided by the Company on request.

25. As per Securities and Exchange Board of India ("**SEBI**") Notification dated June 8, 2018, w.e.f. December 5, 2018, the shares of the Company can be transferred only in dematerialised form. Therefore, Members, who are having shares in physical form, are advised to dematerialise share(s) in the Company to facilitate transfer of share(s).

26. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated to all the members who holds securities of the company in physical form, to furnish to the company / its registrar and transfer Agent, the details of their valid Permanent Account Number (PAN) and bank account. Therefore, Members are requested to furnish the details of PAN and bank account to the Company or Karvy. A form for updation of records relating to PAN and bank account details, has been already been sent.

27. Members are requested to participate in the 'Green Initiative in Corporate Governance'. Members, who have not yet registered their e-mail ID's, are requested to register their e-mail ID's for receiving all communications including Annual Report, Notices etc. from the Company electronically.

28. 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.

29. 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.

30. The relevant documents will be available for inspection by Members at the Registered Office of the Company between 11:00 A.M. to 4:00 P.M. on all working days, other than Saturday, up to the date of the AGM.

31. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the proposed Special Business, as set out in this Notice is annexed hereto.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

ITEM NO. 5:

The Board of Directors ("**Board**"), on the recommendation of Nomination and Remuneration Committee, has appointed Mrs. Sannovanda Machaiah Swathi, as an Additional Director in the capacity of Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from January 19, 2018 to January 18, 2023, subject to approval of Members.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the "**Act**") and Article 90 of the Articles of Association of the Company, Mrs. Sannovanda Machaiah Swathi shall hold office up to the date of this AGM and is eligible to be appointed as a Director. In terms of Section 160(1) of the Act, the Company has received in writing a notice from a Member, proposing her candidature for the office of Director.

Mrs. Sannovanda Machaiah Swathi is a Certified Associate of Indian Institute of Bankers and MBA (Finance). She also holds a Master's Degree in Agriculture Economics and Bachelor's Degree in Agriculture. She worked at field, administrative and board level with rich experience in rural, commercial and social banking. After joining Corporation Bank, she rose upto General Manager level. She was the first lady executive of Corporation Bank right from AGM to GM level. Thereafter, she was associated with Bhartiya Mahila Bank as an Executive Director and acting Managing Director and also as an advisor, Deputy Managing Director level with State Bank of India at the time of retirement.

Mrs. Sannovanda Machaiah Swathi has intimated to the Company that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and also given her consent to act as a Director. She has also given declaration that she meets the criteria of independence as provided under Section 149(6) of the Act and the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015. Nomination and Remuneration Committee has recommended her appointment as an Independent Director for a term of 5 (Five) years i.e. upto January 18, 2023.

In the opinion of the Board, Mrs. Sannovanda Machaiah Swathi is a person of integrity and fulfils the conditions specified in the Act and the rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management and also possess appropriate skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. Copy of letter of her appointment, as an Independent Director setting out the terms and conditions would be available for inspection by Members at the registered office of the Company. In view of the vast knowledge, experience and expertise of Mrs. Sannovanda Machaiah Swathi, the Board recommends the resolution set out at Item No.5 of this Notice for your approval by way of an Ordinary Resolution.

Except Mrs. Sannovanda Machaiah Swathi and her relatives, 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 set out at Item No.5 of this Notice.

ITEM NO. 6:

Shri Suresh Kumar Jain was appointed as an Independent Director on the Board of the Company for a term of 3 years w.e.f. September 19, 2015. He holds office as an Independent Director of the Company till September 18, 2018. Nomination and Remuneration Committee on the basis of annual performance evaluation of Shri Suresh Kumar Jain has recommended his re-appointment as an Independent Director for a second term of 5 years on the Board of the Company. Based on the performance evaluation of Shri Suresh Kumar Jain and recommendation of Nomination and Remuneration Committee and also in view of his contribution to the Company as a Director during current term as well as his experience and expertise, the Board has appointed him as an Additional Director in the capacity of Independent Director, not liable to retire by rotation, for a further term of 5 years i.e. from September 19, 2018 to September 18, 2023, subject to approval of Members. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the "**Act**") and Article 90 of the Articles of Association of the Company, Shri Suresh Kumar Jain shall hold office up to the date of this AGM and is eligible to be appointed as a Director. In terms of Section 160(1) of the Act, the Company has received in writing a notice from a Member, proposing his candidature for the office of Director.

Shri Suresh Kumar Jain is a Certified Associate of Indian Institute of Bankers and also holds a Diploma in Personnel Management & Labour Welfare. He holds a Master's degree in Economics and a Bachelor's degree in Science. He has vast experience in the field of International Banking, Human Resource Development, Development of MSMEs, Commercial & Retail Banking, Product Marketing and Bank Management etc. After joining Bank of India, he rose to the rank of General Manager. Thereafter, he was also associated with Union Bank of India as an Executive Director.

Shri Suresh Kumar Jain has intimated to the Company that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and also given his consent to act as a Director. He has also given declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per Section 149 of the Act, an Independent Director shall be eligible for re-appointment on passing of a Special Resolution and disclosure of such appointment in the Directors' Report. Accordingly, it is proposed to re-appoint Shri Suresh Kumar Jain as an Independent Director of the Company, for a further term of 5 years i.e. from September 19, 2018 to September 18, 2023, subject to approval of Members by way of a Special Resolution.

For details relating to the number of Meetings of the Board attended and remuneration (sitting fee) paid to him during previous financial year, other Directorships and Membership / Chairmanship of Committees, please refer to Report on Corporate Governance. Further, on his re-appointment, he shall be paid sitting fees for attending the meetings of the Board and/or its Committees, as may be fixed by the Board from time to time, but within the limits prescribed under Act. Copy of letter of his re-appointment, as an Independent Director setting out the terms and conditions would be available for inspection by Members at the registered office of the Company. He does not hold any shares in the Company. He does not have any relationship with other Directors and Key Managerial Personnel.

In the opinion of the Board, Shri Suresh Kumar Jain is a person of integrity and fulfils the conditions specified in the Act and the rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the management and also possess appropriate skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively. The Board considered that his continued association would be beneficial to the Company and accordingly recommends the resolution set out at Item No.6 of this Notice for your approval by way of a Special Resolution.

Except Shri Suresh Kumar Jain and his relatives, 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 set out at Item No.6 of this Notice.

ITEM NO. 7:

Members of the Company by passing a Special Resolution through Postal Ballot Notice dated July 28, 2014 have accorded their consent to the Board (including its Committee) to borrow any sum or sums of money in excess of aggregate of the paid up share capital and free reserves of the Company and outstanding at any time, not exceeding the sum of Rs.6000 crores, upon such terms and conditions, as the Board may in its discretion think fit and in the interest of the Company.

The Company continues to borrow money from time to time for meeting its working capital and other funds requirements from various banks on standalone basis and under consortium arrangement. The terms and conditions of borrowing money through debentures or loans may sometimes have a term for conversion of such debentures or loans into shares in the Company at the option of the lender(s). As and when required, the exercise of such option by the lender(s), resulting into increase of subscribed share capital of the Company, shall be in accordance with the provisions of Section 62 of the Companies Act, 2013. Therefore, it is proposed to amend and replace the earlier Special Resolution passed through Postal Ballot Notice dated July 28, 2014, to include approval for such conversion term.

It is also proposed to approve and ratify retrospectively, the terms of money borrowed by the Company with such conversion term, if any. However, it is clarified that till date there has been no such option exercised by any lender of the Company with respect to any loan, except the compulsorily convertible debentures issued to DVI Fund (Mauritius) Ltd, for which prior approval was taken from Members and which have already been converted into equity shares of the Company.

The Board of Directors recommends the resolution at Item No.7 for your approval by way of a Special Resolution.

None of the Directors or Key Managerial Personal of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of this Notice.

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

Sd/-
(VIJAY PANWAR)
Company Secretary

Place: New Delhi
Date: August 27, 2018

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name **Particulars**	**Shri Padam Chand Gupta**	**Mrs. Sannovanda Machaiah Swathi**	**Shri Suresh Kumar Jain**
Date of Birth	March 26, 1954	July 24, 1957	May 5, 1954
Qualifications	Basic education	Certified Associate of Indian Institute of Bankers, MBA (Finance), M.Sc. (Agriculture Economics) and B.Sc. (Agriculture)	Certified Associate of Indian Institute of Bankers, Diploma in Personnel Management and Labour Welfare, M.A. (Economics) and B.Sc. (Honours)
Expertise in specific functional areas	General Management & Jewellery Industry	Review of organizational goals and strategic implementation of goals, Team management etc.	Human Resource Development, International, Commercial & Retail Banking, Product Marketing etc.
Date of first appointment on the Board	April 13, 2005	January 19, 2018	September 19, 2015
No. of meetings of the Board attended during financial year 2017-18	7 of 7	0 of 1 (only 1 meeting was held after her appointment as Director)	5 of 7
Relationships between directors inter-se	Shri Balram Garg (Brother)	None	None
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	Luxury Products Trendsetter Private Limited (WOS of PC Jeweller Limited)	None	1) AVG Logistics Limited 2) Gandhar Oil Refinery (India) Limited 3) Avanse Financial Services Limited 4) Srei Equipment Finance Limited
Memberships / Chairmanships of committees of the Board of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	None	None	Audit Committee Member: 1) Gandhar Oil Refinery (India) Limited 2) Avanse Financial Services Limited
Shareholding in the Company	9,04,43,600 Equity Shares	Nil	Nil

ROUTE MAP FOR ANNUAL GENERAL MEETING VENUE

Day, Date and Time: Saturday, September 29, 2018, at 3:30 P.M.
Venue: Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003

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

PCJ
Jeweller for generations

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 13th Annual General Meeting of the Company, to be held on Saturday, September 29, 2018 at 3:30 P.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003 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, 2018 together with the reports of the Board of Directors and Statutory Auditors.
2. Declaration of dividend on equity shares for the financial year 2017 - 18.
3. Declaration of dividend on compulsorily convertible preference shares for the period from April 1, 2017 to September 1, 2017.
4. Re-appointment of Shri Padam Chand Gupta (DIN: 00032794) as a Director liable to retire by rotation.
5. Appointment of Mrs. Sannovanda Machaiah Swathi (DIN: 06952954) as an Independent Director.
6. Re-appointment of Shri Suresh Kumar Jain (DIN: 05103064) as an Independent Director.
7. Amendment in terms of borrowing powers of the Board.

Signed this .... day of .... 2018.

Signature of Member .... | Affix Rs.1 Revenue Stamp | Signature of Proxy holder(s) ....

Note:
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.

PC Jeweller

PC Jeweller Limited

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

www.pcjeweller.com

Pitchcraft communications info@pitchcraftindia.com

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

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ATTENDANCE SLIP

Name and Registered address of the Sole / First named Member :

Name(s) of the joint Member(s), if any :

Registered Folio Number / DP ID - Client ID :

Number of shares held :

I hereby record my presence at 13th Annual General Meeting of the Company at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003 on Saturday, September 29, 2018 at 3:30 P.M.

Please mark (✓) the appropriate box:

Member ☐ Proxy ☐

* I hereby give my consent for receiving from the Company all communications including Annual Report, Notices and other documents permissible to be sent through electronic mode, on my e-mail id: ....

Signature of the attending Member / Proxy ....

* Delete, if not required.

Note: A Member / Proxy holder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

✂.. Cut here..

VOTING THROUGH ELECTRONIC MEANS

The Company has engaged the services of Karvy Computershare Private Limited ("**Karvy**") as authorized Agency to provide remote e-voting facility for 13th Annual General Meeting of the Company to be held on September 29, 2018. Remote e-voting facility is available at the link https://evoting.karvy.com. Remote e-voting particulars are as under:

EVEN (e-Voting Event Number)	User ID	Password / PIN

Remote e-voting facility shall be available during the following period:

Commencement of Remote e-voting	**From 9:00 A.M. on September 26, 2018**
End of Remote e-voting	**Up to 5:00 P.M. on September 28, 2018**

Remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.

This communication forms an integral part of the Notice of 13th Annual General Meeting of the Company to be held on September 29, 2018. Please read the instructions overleaf carefully before exercising the vote.

Procedure & Instructions for Remote e-voting:

i) Launch internet browser by typing https://evoting.karvy.com.

ii) Enter the login credentials (i.e. User ID & Password) mentioned below the Attendance Slip. 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 24, 2018** (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 V. Raghunath, Deputy Manager (RIS) at Karvy at e-mail id: raghu.veedha@karvy.com, contact no.: 040-67161606 or can also call Karvy's toll free no.: 1800-345-4001.

General Instructions:

i) Only those Members, whose names appear in the Register of Members / List of beneficial owners as on **Cut-off Date** i.e. **September 24, 2018**, shall be entitled to vote (through remote e-voting / physical ballot paper) on the resolutions set forth in the Notice of 13th Annual General Meeting ("**AGM**") 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.

ii) 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.

iii) **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.**

iv) Members who have casted their votes by remote e-voting may also attend the AGM but shall not be entitled to cast their votes again.

v) 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, may obtain the Login ID and Password in the manner mentioned below:

(a) If the mobile number of Member is registered against Folio No. / DP ID – Client ID, 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 Member is registered against Folio No. / DP ID-Client ID, then on the home page of https://evoting.karvy.com, 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.

vi) 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.

vii) The Board of Directors has appointed Shri Randhir Singh Sharma, Practicing Company Secretary (C.P. No.: 3872), New Delhi as the Scrutinizer to scrutinize the remote e-voting and physical voting process at the AGM in a fair and transparent manner.

viii) 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.