

# PC Jeweller Limited ANNUAL REPORT 2012-2013





# Message from Managing Director



Dear Shareholders,

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

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

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

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

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

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

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

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

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

Yours sincerely,

Sd/-

Balram Garg

Managing Director

# BRANDING INITIATIVES



Glimpses of various branding initiatives taken by





# SOCIAL INITIATIVES



## PCJ AAS HOUSEWIVES AWARDS 2013

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

## PCJ VADODARA MARATHON 2013

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





# MANUFACTURING UNIT IN NOIDA



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## CORPORATE INFORMATION

### Board of Directors

#### Chairman

Mr. Padam Chand Gupta

#### Managing Director

Mr. Balram Garg

#### Independent Directors

Mr. Krishan Kumar Khurana

Dr. Manohar Lal Singla

#### President (Finance)

Mr. Sanjeev Bhatia

#### Company Secretary & Compliance Officer

Mr. Vijay Panwar

#### Statutory Auditors

*M/s Walker, Chandiok & Company, Chartered Accountants*

21st floor, DLF Square, Jacaranda Marg,

DLF Phase III,

Gurgaon - 122002

Firm registration No: 001076N

*M/s Sharad Jain Associates, Chartered Accountants*

213, Hans Bhavan

1, Bahadur Shah Zafar Marg

New Delhi - 110002

Firm registration No: 015201N

#### Registrar and Share Transfer Agent (RTA)

Karvy Computershare Private Limited

Plot No. 17 to 24, Vittal Rao Nagar

Madhapur, Hyderabad 500 081, India

Tel: (+91 40) 4465 5000

Email: einward.ris@karvy.com

#### Registered Office

PC Jeweller Limited,

24/2708, Bank Street, Karol Bagh,

New Delhi – 110005

#### Corporate Office

PC Jeweller Limited,

C – 54, Preet Vihar,

Vikas Marg, Delhi – 110092

**Website:** [www.pcjeweller.com](http://www.pcjeweller.com)



## NOTICE

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

### **ORDINARY BUSINESS:**

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

### **SPECIAL BUSINESS:**

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

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

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

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

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

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

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

“RESOLVED THAT pursuant to the provisions of section 314(1B) and other applicable provisions, if any, of

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

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

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

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

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

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

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

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