RED HERRING PROSPECTUS
Dated November 26, 2012
Please read Section 60B of the Companies Act, 1956
Book Building Issue

PC JEWELLER LIMITED

Our Company was incorporated on April 13, 2005 in New Delhi under the Companies Act, 1956, as amended ("**Companies Act**") as a private limited company under the name 'P Chand Jewellers Private Limited' with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**"). Our Company was converted into a public limited company, pursuant to a resolution passed by our shareholders on July 5, 2011, following which our name was changed to 'PC Jeweller Limited', and a fresh certificate of incorporation was issued by the RoC on August 2, 2011. For further details of the changes in our name, see "***History and Certain Corporate Matters***" on page 139.

Registered Office: 24/2708, Bank Street, Karol Bagh, New Delhi 110 005; **Tel:** (+91 11) 4710 4810; **Fax:** (+91 11) 2872 0811 **Corporate Office:** C-54, Preet Vihar, New Delhi 110 092
Contact Person and Compliance Officer: Mr. Vijay Panwar, Company Secretary; **Tel:** (+91 11) 4971 4971 Extn.: 222; **Fax:** (+91 11) 4971 4972; **E-mail:** investors@pcjewellers.com **Website:** www.pcjeweller.com
Promoters: Mr. Padam Chand Gupta and Mr. Balram Garg

INITIAL PUBLIC OFFERING OF 45,133,500 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF PC JEWELLER LIMITED ("PCJ" OR "OUR COMPANY" OR "THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF 44,775,000 EQUITY SHARES (THE "NET ISSUE") AND A RESERVATION OF 358,500 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE SHALL CONSTITUTE 25.20% OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY AND THE NET ISSUE SHALL CONSTITUTE 25.00% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY.

THE PRICE BAND, THE MINIMUM BID LOT AND THE RUPEE AMOUNT OF THE RETAIL DISCOUNT AND EMPLOYEE DISCOUNT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER AND ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL NEWSPAPER) AND ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL NEWSPAPER), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SUCH ADVERTISEMENT SHALL BE AVAILABLE ON THE WEBSITES OF BSE LTD. (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE")*

***Discount of ₹ [●] to the Issue Price may be offered to Retail Individual Bidders (the "*Retail Discount*") and Eligible Employees bidding in the Employee Reservation Portion (the "*Employee Discount*"), respectively.*

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH.

In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days (as defined herein) after revision of the Price Band subject to the Bid/Issue Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("**BRLMs**") and the Co-Book Running Lead Manager ("**CBRLM**"), and at the terminals of the other members of the Syndicate and by intimation to Self Certified Syndicate Banks ("**SCSBs**").

Pursuant to Rule 19 (2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), the Net Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process where 50% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion"**), provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), subject to valid Bids being received at or above the Issue Price. Further, 358,500 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. For details regarding allocation to Retail Individual Bidders, special attention is invited to "***Issue Procedure – Basis of Allotment***" on page 387. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion may participate in the Issue through the ASBA process by providing the details of the ASBA Accounts in which the corresponding Payment Amounts will be blocked by the SCSBs. QIB Bidders (except Anchor Investors) and Non-Institutional Bidders shall compulsorily participate in the Issue through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details in this regard, specific attention is invited to "***Issue Procedure***" on page 355.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 and the Floor Price and Cap Price are [●] times and [●] times the face value of the Equity Shares, respectively. The Issue Price (as determined and justified by our Company in consultation with the BRLMs and the CBRLM and as stated in "***Basis for Issue Price***" on page 88) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 14.

IPO GRADING

The Issue has been graded by Credit Analysis and Research Limited, a SEBI registered credit rating agency, by its letter dated October 19, 2012 as "CARE IPO Grade 3", indicating average fundamentals and by CRISIL Limited, a SEBI registered credit rating agency, by its letter dated November 6, 2012 as "CRISIL IPO Grade 3" indicating average fundamentals. The IPO grade is assigned on a five-point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For more information on IPO Grading, see "***General Information***" and "***Annexure I***" on page 57 and page 434, respectively.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letter dated November 4, 2011 and November 18, 2011, respectively. BSE is the Designated Stock Exchange for the purposes of the Issue.

BOOK RUNNING LEAD MANAGERS		CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
SBI CAPITAL MARKETS LIMITED	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED**	**IDBI CAPITAL MARKET SERVICES LIMITED**	**KARVY COMPUTERSHARE PRIVATE LIMITED**
202, Maker Tower 'E', Cuffe Parade Mumbai 400 005, India Tel: (+91 22) 2217 8300 Fax: (+91 22) 2218 8332 E-mail: pcj.ipo@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Ms. Anshika Malaviya SEBI Registration Number: INM000003531	1st Floor, Bakhtawar 229, Nariman Point, Mumbai 400 021, India Tel: (+91 22) 6634 1100 Fax: (+91 22) 2284 0492 E-mail: pcj.ipo@kotak.com Investor Grievance E-mail: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Mr. Chandrakant Bhole SEBI Registration Number: INM000008704	3rd Floor, Mafatlal Centre Nariman Point, Mumbai 400 021, India Tel. No.: (+91 22) 4322 1212 Fax No.: (+91 22) 2285 0785 Email : pcj.ipo@idbicapital.com Investor Grievance E-mail: redressal@idbicapital.com Website: www.idbicapital.com Contact Person: Mr. Hemant Bothra / Mr. Jitendra Agarwal SEBI Registration Number: INM000010866	Plot No. 17 to 24, Vittal Rao Nagar Madhapur, Hyderabad 500 081, India Tel: (+91 40) 4465 5000 Fax: (+91 40) 2343 1551 E-mail: pcjeweller.ipo@karvy.com Website: http://karisma.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration Number: INR000000221

BID/ISSUE PERIOD*

BID/ISSUE OPENS ON	December 10, 2012 (Monday)	**BID/ISSUE CLOSES ON**	December 12, 2012 (Wednesday)

** Our Company, in consultation with the BRLMs and the CBRLM, may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms have the meanings given below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

In this Red Herring Prospectus, unless the context otherwise indicates, all references to "**PCJ**", "**the Company**", "**our Company**" and "**the Issuer**", are to PC Jeweller Limited, a public limited company incorporated in India under the Companies Act, with its Registered Office at 24/2708 Bank Street, Karol Bagh, New Delhi 110 005, India.

Company Related Terms

Term	Description
Articles of Association or Articles	The articles of association of our Company, as amended
Auditors	The joint statutory auditors of our Company, being Walker Chandiok & Company, Chartered Accountants and Sharad Jain Associates, Chartered Accountants
Board of Directors or Board	The board of directors of our Company or a duly constituted committee thereof
Corporate Office	The corporate office of our Company situated at C-54, Preet Vihar, New Delhi 110 092, India
Director(s)	The director(s) of our Company
ESOP 2011	The employee stock option plan established by our Company, as described in "***Capital Structure***" on page 71
Group Entities	The entities listed under "***Our Promoters and Group Entities***" on page 155
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended
Promoters	Mr. Padam Chand Gupta (a.k.a. Padam Chand Garg) and Mr. Balram Garg
Promoter Group	The persons and entities constituting our promoter group pursuant to regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company situated at 24/2708 Bank Street, Karol Bagh, New Delhi 110 005, India

Issue Related Terms

Term	Description
Allotted/Allotment/Allot	The issue and allotment of Equity Shares to successful Bidders pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange,
Anchor Investor	A Qualified Institutional Buyer, who applies under the Anchor Investor Portion with a minimum Bid of ₹ 100 million
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date on which Bids by Anchor Investors shall open and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors under the Anchor Investor Portion in terms of this Red Herring Prospectus and the Prospectus, which price will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs and the CBRLM
Anchor Investor Portion	Up to 30% of the QIB Portion, consisting of up to 6,716,250 Equity Shares, which may be allocated to Anchor Investors by our Company in consultation with the BRLMs and the CBRLM, on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by an ASBA Bidder to make a Bid authorizing the relevant SCSB to block the Payment Amount in the relevant ASBA Account
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Payment Amount in relation to a Bid by an ASBA Bidder
ASBA Bidder	Any Bidder (other than Anchor Investors) who intends to Bid through the ASBA

Term	Description
	process
Bankers to the Issue/ Escrow Collection Banks	The banks which is/are clearing member and registered with the SEBI as Bankers to the Issue, with whom the Escrow Accounts in relation to the Issue will be opened, in this case being Kotak Mahindra Bank Limited, State Bank of India, IndusInd Bank Limited, HDFC Bank Limited and Axis Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in "***Issue Procedure – Basis of Allotment***" on page 387
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (including an ASBA Bidder), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid-cum-Application Form to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto to the extent permissible under SEBI ICDR Regulations
Bid Amount	The highest value of the optional Bids as indicated in the Bid-cum-Application Form and, in case of Retail Individual Bidder and Eligible Employees bidding in the Employee Reservation Portion bidding at Cut-Off Price, the value of the Bid at Cut-Off Price and mentioned in the Bid-cum-Application Form
Bid-cum-Application Form	The form in terms of which the Bidder shall make a Bid and which shall be considered as the application for the Allotment of Equity Shares pursuant to the terms of this Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid-cum-Application Form, including an ASBA Bidder and Anchor Investor
Bid/Issue Closing Date	Except in relation to Anchor Investors, December 12, 2012, which is the date after which the Syndicate and the SCSBs shall not accept any Bids for the Issue and which shall be advertised by our Company in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper).
Bid/Issue Opening Date	Except in relation to Anchor Investors, December 10, 2012, which is the date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue and which shall be advertised by our Company in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper)
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Book Building Process	The book building process as described in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Bid Price	A price within the Price Band at which a Bidder Bids for the requisite quantity of Equity Shares in terms of this Red Herring Prospectus
Book Running Lead Managers/BRLMs	The book running lead managers to the Issue, in this case being SBI Capital Markets Limited and Kotak Mahindra Capital Company Limited
Cap Price	The higher end of the Price Band above which the Issue Price and Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Client ID	Client identification number of the Bidder's beneficiary account
Co-Book Running Lead Manager / CBRLM	The co-book running lead manager to the Issue, in this case being IDBI Capital Market Services Limited
Controlling Branches	Such branches of the SCSBs which coordinate Bids under the Issue by the ASBA Bidders with the BRLMs and the CBRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063494684.html or such other website as may be prescribed by the SEBI from time to time
Cut-off Price	The Issue Price, finalized by our Company in consultation with the BRLMs and the CBRLM, which shall be any price within the Price Band. Only Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their address, occupation, PAN, MICR Code and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the Bid-cum-Application Form used by ASBA Bidders, a list of which is available at

Term	Description
	http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063494684.html or such other website as may be prescribed by the SEBI from time to time
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Accounts to the Public Issue Account or the Refund Accounts, as appropriate, and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account in terms of this Red Herring Prospectus
Designated Stock Exchange	BSE Ltd.
DP ID	Depository Participant's identity
Draft Red Herring Prospectus/DRHP	The draft red herring prospectus dated September 28, 2011, filed with the SEBI and issued in accordance with Section 60B of the Companies Act and the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares are offered
Eligible Employee	All or any of the following: (a) a permanent and full time employee of our Company as of the date of filing of this Red Herring Prospectus with the RoC and who continues to be an employee of our Company until the submission of the Bid-cum-Application-Form and is based, working and present in India as on the date of submission of the Bid-cum-Application Form; (b) a Director of our Company, whether a whole time Director, part time Director or otherwise, except any Promoters or an immediate relative of any Promoter, as of the date of filing this Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid-cum-Application-Form and is based and present in India as on the date of submission of the Bid-cum-Application Form. The maximum Payment Amount under the Employees Reservation Portion by an Eligible Employee cannot exceed ₹ 200,000
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares. Non-residents, other than FIIs investing under PIS in accordance with Schedule 2 of the FEMA 20 and Eligible NRIs investing on non-repatriation basis in accordance with Schedule 4 of FEMA 20, are not permitted to participate in the Issue
Employee Discount	The difference of ₹ [●] between the Issue Price and the differential lower price at which our Company may decide to Allot the Equity Shares to Eligible Employees bidding in the Employee Reservation Portion. The rupee amount of the Employee Discount will be advertised by our Company in consultation with the BRLMs and the CBRLM, and advertised by our Company at least five Working Days prior to the Bid/Issue Opening Date, in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper) and such advertisement will be available on the websites of the Stock Exchanges. The Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion at the time of making a Bid
Employee Reservation Portion	The portion of the Issue being 358,500 Equity Shares available for allocation to Eligible Employees, on a proportionate basis
Equity Listing Agreements	The equity listing agreements to be entered into by our Company with the Stock Exchanges
Equity Shares	The Equity Shares of our Company with a face value of ₹ 10 each
Escrow Account	Accounts opened with the Escrow Collection Banks for the Issue and in whose favour the Bidders (excluding ASBA Bidders) will issue cheques or demand drafts in respect of the Payment Amount when submitting a Bid
Escrow Agreement	The agreement dated [●] entered into among our Company, the Registrar to the Issue, the BRLMs, the CBRLM, the Syndicate Members, the Escrow Collection Banks and the Refund Banks for collection of the Payment Amounts and remitting refunds, if any, to the Bidders (excluding ASBA Bidders), on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or the Revision Form
Floor Price	The lower end of the Price Band, and any revisions thereof, below which the Issue Price will not be finalized, below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Gross Proceeds	Gross proceeds of the Issue

Term	Description
IPO Grading Agencies	Credit Analysis and Research Limited and CRISIL Limited
Issue	Public issue of 45,133,500 Equity Shares for cash at a price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million, constituting the Net Issue and the Employee Reservation Portion
Issue Agreement	The agreement entered into on September 28, 2011, among our Company, the BRLMs and the CBRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price (net of Retail Discount and Employee Discount, as applicable) at which Equity Shares will be issued and Allotted to the Bidders (except Anchor Investors), as determined in accordance with the Book Building Process on the Pricing Date. A discount of ₹ [●] to the Issue Price may be offered to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion. The rupee amount of the Retail Discount and Employee Discount will be decided by our Company in consultation with the BRLMs and the CBRLM, and advertised by our Company at least five Working Days prior to the Bid/Issue Opening Date, in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper) and such advertisement shall be available on the websites of the Stock Exchanges
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, on a proportionate basis
Mutual Funds	Mutual funds registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Issue	The Issue less the Employee Reservation Portion
Net Proceeds	Proceeds of the Issue that will be available to our Company, which exclude the Issue-related expenses
Non-Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs (including Anchor Investors) or Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount exceeding ₹ 200,000
Non-Institutional Portion	The portion of the Net Issue, being not less than 6,716,250 Equity Shares, available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids received at or above the Issue Price
Payment Amount	The amount for which payment is made (including by blocking appropriate amounts in the ASBA Account) by a Bidder and which, for all Bidders other than Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, shall mean the Bid Amount. For Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, the Payment Amount shall mean the Bid Amount less the Retail Discount or Employee Discount, as applicable.
Price Band	Price band of the Floor Price of ₹ [●] and a Cap Price of ₹ [●], including revisions thereof. The Price Band and the minimum Bid lot for the Issue will be decided by our Company in consultation with the BRLMs and the CBRLM and advertised in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and such advertisement will be available on the websites of the Stock Exchanges.
Pricing Date	The date on which our Company, in consultation with the BRLMs and the CBRLM, finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC pursuant to Section 60 of the Companies Act and the SEBI ICDR Regulations, containing, among other things, the Issue Price as discovered at the end of the Book Building Process on the Pricing Date, including any addenda or corrigenda thereto
Public Issue Account	The account to be opened with the an Escrow Collection Bank to receive monies from the Escrow Accounts and the ASBA Accounts, on the Designated Date
QIB Portion	The portion of the Net Issue, being 22,387,500 Equity Shares available for allocation to QIBs on a proportionate basis, subject to valid Bids being received at or above the Issue Price, including the Anchor Investor Portion. Allocation to Anchor Investors, if any, will be made by our Company in consultation with the BRLMs and the CBRLM, on a discretionary basis.
Qualified Foreign Investor or QFIs	Person (as defined in section 2(31) of the Income Tax Act) who: (a) is not resident in India (in accordance with the Income Tax Act); (b) is not an FII or registered the SEBI as

Term	Description
	a sub-account of an FII or FVCI; (c) meets 'know your client' requirements prescribed by the SEBI; (d) is resident in a country (as per the direct tax laws of that country) which is: (i) a member of the Financial Action Task Force (not including an associate member) or a member of a group which is a member of the Financial Action Task Force (not including an associate member); and (ii) a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding or the regulator of such country is a signatory to a bilateral memorandum of understanding which provides for information sharing arrangements with the SEBI; and (e) is not a resident in a country (as per the direct tax laws of that country) which is listed in the public statements issued by the Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies. QFIs are not permitted to participate in the Issue.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations, provided that with respect to the Issue, this term shall not include FVCIs and multilateral and bilateral development financial institutions
Red Herring Prospectus or RHP	This red herring prospectus dated November 26, 2012, filed with the RoC and issued in accordance with Section 60B of the Companies Act and the SEBI ICDR Regulations, which does not include complete particulars of the price at which the Equity Shares shall be issued and which will become the Prospectus after filing with the RoC after the Pricing Date
Refund Accounts	Accounts opened with the Refund Banks from which refunds if any, of the whole or part of the Payment Amount shall be made to the Bidders (excluding ASBA Bidders)
Refund Banks	Escrow Collection Banks with whom Refund Accounts will be opened and from which a refund of the whole or part of the Payment Amount, if any, shall be made, in this case being, Kotak Mahindra Bank Limited and State Bank of India
Registrar Agreement	The agreement dated September 27, 2011, entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar to the Issue	Karvy Computershare Private Limited
Retail Discount	The difference of ₹ [●] between the Issue Price and the differential lower price at which our Company may decide to Allot the Equity Shares to Retail Individual Bidders. The rupee amount of the Retail Discount will be decided by our Company in consultation with the BRLMs and the CBRLM, and advertised by our Company at least five Working Days prior to the Bid/Issue Opening Date, in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper) and such advertisement will be available on the websites of the Stock Exchanges. The Retail Discount, if any, will be offered to Retail Individual Bidders at the time of making a Bid
Retail Individual Bidders	Bidders (including HUFs and Eligible NRIs), other than Eligible Employees bidding in the Employee Reservation Portion submitting Bids under the Employee Reservation Portion, whose Payment Amount for Equity Shares in the Net Issue is less than or equal to ₹ 200,000.
Retail Portion	The portion of the Net Issue, being not less than 15,671,250 Equity Shares, available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI ICDR Regulations and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063494684.html. A list of the branches of the SCSBs where Bid-cum-Application Forms will be forwarded by such members of the Syndicate is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063270138.html.
Stock Exchanges	The BSE Ltd. and the National Stock Exchange of India Limited
Syndicate Agreement	The agreement dated [●] entered into among the members of the Syndicate and our Company in relation to the collection of Bids in the Issue (other than Bids directly submitted to the SCSBs under the ASBA process)

Term	Description
Syndicate ASBA Bidding Locations	Bidding centres at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat where the members of the Syndicate shall accept Bid-cum-Application Forms under the ASBA process in terms of the SEBI Circular No. CIR/CFD/DIL/1/2011, dated April 29, 2011
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being SBICAP Securities Limited and Kotak Securities Limited
Syndicate or members of the Syndicate	Collectively, the BRLMs, the CBRLM and the Syndicate Members
Syndicate SCSB Branches	In relation to ASBA Bids submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Bidding Locations named by the SCSBs to receive deposits of Bid-cum-Application Forms from the members of the Syndicate, and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063270138.html or at such other website as may be prescribed by SEBI from time to time
Transaction Registration Slip or TRS	The slip or document issued by a member of the Syndicate or an SCSB, as the case may be to a Bidder generated at each price and demand option as proof of registration of the Bid
Underwriters	The members of the Syndicate
Underwriting Agreement	The agreement among our Company and the Underwriters to be entered into on or after the Pricing Date
U.S. QIB	Qualified institutional buyers, as defined in Rule 144A under the U.S. Securities Act
Working Day(s)	All days, excluding Sundays and public holidays, on which commercial banks in India are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

Technical and Industry Related Terms

Term	Description
Carat	The unit for determining weight of gemstones, 1 carat being equal to 0.2 grams
CARE Report	Report on Indian Gems and Jewellery Industry issued by CARE Research dated October 22, 2012
CAD	Computer Aided Design
CAM	Computer Aided Manufacture
CIF	Cost, Insurance and Freight
DTC	Diamond Trading Company
GIA	Gemological Institute of America
GIE	Gemological Institute of Evaluation
GII	Gemological Institute of India
GJEPC	Gem and Jewellery Export Promotion Council
HRD	Hoge Raad Voor Diamant VZW
IGI	International Gemological Institute
IDI	Indian Diamond Institute
KPCS	Kimberley Process Certification Scheme
Metro	New Delhi, Mumbai, Chennai and Kolkata
Tier I	Cities with a population of more than four million, except Metro cities
Tier II	Cities with a population between one to four million
Tier III	Cities with a population between 0.50 million to one million

Conventional/General Terms, Abbreviations and References to Business Entities

Term	Description
Alternative Investment Funds or AIFs	Alternative Investment Funds (as defined under the SEBI AIF Regulations) registered with SEBI
BIS	Bureau of Indian Standards
BSE	BSE Ltd.
CAGR	Compound Annual Growth Rate
CARE Research	Credit Analysis and Research Limited
CCTV	Closed Circuit Television
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax

Term	Description
CRISIL	CRISIL Limited
CST	Central Sales Tax
Companies Act	The Companies Act, 1956
Consolidated FDI Policy or FDI Policy	Circular (D/o. I.P.P. F. No. 5(2)/2012-FC-I dated April 10, 2012, effective from April 10, 2012, as issued by the Department of Industrial Policy and Promotion
Delhi NCR	National Capital Region of Delhi
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DIN	Director's identification number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting of the shareholders of a company
EPS	Earnings per share, i.e., profit after tax for a fiscal year divided by the weighted average number of equity shares during the fiscal year
ERP	Enterprise Resource Planning
Factories Act	Factories Act, 1948
FCNR Account	Foreign Currency Non-Resident Account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999
FEMA 20	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors, as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Financial Year / Fiscal	Period of 12 months ended March 31 of that particular year
FTDRA 1992	Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR number	General index registration number
GoI	The Government of India
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
IDBI	IDBI Capital Market Services Limited
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offer
Insurance Regulatory and Development Authority/ IRDA	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
Kotak	Kotak Mahindra Capital Company Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Non-Resident or NR	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
Non-Resident Indian or NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRE Account	Non-Resident External Account established in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established in accordance with the FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and

Term	Description
	which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
P.A.	Per annum
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PIS	Portfolio Investment Scheme as stipulated under Regulation 5 (2) of FEMA 20 subject to terms and conditions specified under Schedule 2 of the FEMA 20
RBI	The Reserve Bank of India
RoC or Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi and Haryana
RTGS	Real Time Gross Settlement.
Rupee or Rs. or ₹	Indian Rupee
SBI Caps	SBI Capital Markets Limited
SCRA	Securities Contract (Regulations) Act, 1956
SCRR	The Securities Contract (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEZ	Special Economic Zone
SEZ Act	The Special Economic Zones Act, 2005
SEZ Rules	The Special Economic Zones Rules, 2006
SSPL	Shivani Sarees Private Limited
Sub- account	Sub-accounts of FIIs registered with the SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	The Trademarks Act, 1999
US$ or USD or US Dollar	United States Dollar
USA or U.S. or United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
Venture Capital Funds or VCFs	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 or the SEBI AIF Regulations, as the case maybe), registered with SEBI

The words and expression used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "***Main Provisions of Articles of Association of our Company***", "***Statement of Tax Benefits***", "***Regulations and Policies in India***" and "***Financial Statements***" on pages 399, 91, 134 and 163, respectively, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Red Herring Prospectus to "**India**" are to the Republic of India. All references in this Red Herring Prospectus to the "**U.S.**", "**USA**" or "**United States**" are to the United States of America.

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements as of and for fiscal 2008, 2009, 2010, 2011, 2012 and as of and for six months period ended September 30, 2012 and our restated consolidated financial statements as of and for fiscal 2012 and as of and for six months period ended September 30, 2012, prepared in accordance with the Generally Accepted Accounting Principles in India ("**Indian GAAP**") and the Companies Act, and restated in accordance with the SEBI ICDR Regulations. On July 9, 2011, our Company acquired 10,000 equity shares (representing 100% of the equity share capital) of Shivani Sarees Private Limited ("**SSPL**"). However, on April 14, 2012 our Company disposed of the aforementioned 10,000 equity shares of SSPL to third parties at a consideration of ₹ 2.36 million. For further information, see "***History and Certain Corporate Matters - Subsidiary***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operation - Sale of SSPL***" on pages 142 and 278. SSPL did not have any significant operations during the period it was a subsidiary of our Company.

Our fiscal year commences on April 1 of the immediately preceding year and ends on March 31 of that year, so all references to a particular fiscal year are to the 12 month period ended March 31 of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards ("**IFRS**") and the Generally Accepted Accounting Principles in the United States of America ("**U.S. GAAP**"). We have not attempted to explain such differences or to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS and we urge the investors to consult their advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India. Except where specified, in this Red Herring Prospectus, all figures have been expressed in "million" which means "10 lakhs". All references to "US$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

Industry and Market Data

Industry and market data used throughout this Red Herring Prospectus has been obtained from various industry publications such as the "Report on Indian Gems and Jewellery Industry" issued by CARE Research (October 22, 2012). Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or the CBRLM or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" on page 14. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section titled "***Basis for the Issue Price***" on page 88 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs, nor the CBRLM have independently verified such information.

Exchange Rates

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one US Dollar could be exchanged.

Period*	Period end (in ₹)
Fiscal 2008	39.97
Fiscal 2009	50.95
Fiscal 2010	45.14
Fiscal 2011	44.65
Fiscal 2012	50.90
September 30, 2012	52.70

** Source: www.rbi.org.in*

NOTICE TO INVESTORS

United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"), or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "**U.S. QIBs**"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "**QIBs**"), in reliance on Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is or was implemented in that Relevant Member State (the "**Relevant Implementation Date**"), the Equity Shares may not be offered or sold to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and the 2010 Amending Directive, except that the Equity Shares, with effect from and including the Relevant Implementation Date, may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (1) an average of at least 250 employees during the last fiscal; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than "qualified investors" as defined in Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Underwriters for any such offer; or
- in any circumstances falling within Article 3(2) of the Prospectus Directive as amended,

provided that no such offering of Equity Shares shall result in a requirement for the publication by the Company or the Underwriters of a prospectus pursuant to Article 3 of the Prospectus Directive as amended.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 Amending Directive) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 Amending Directive" means Directive 2010/73/EU and includes any relevant implementing measure in each Relevant Member State.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (as amended, to the extent implemented in a Relevant Member State, by the 2010 Amending Directive) or in circumstances in which the prior consent of the Underwriters have been obtained to each such proposed offer or resale. The Company, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

IN THE CASE OF EQUITY SHARES BEING OFFERED IN THE ISSUE TO NON-RESIDENT INVESTORS, EACH SUCH NON-RESIDENT INVESTOR SHALL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS EITHER AN FII INVESTING UNDER AND IN ACCORDANCE WITH SCHEDULE 2 OF FEMA 20 OR AN ELIGIBLE NRI INVESTING UNDER AND IN ACCORDANCE WITH SCHEDULE 4 OF FEMA 20.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "seek to", "will pursue" or other words or phrases of similar import. Similarly statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements being subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including, but not limited to:

- our ability to effectively manage our expanded operations or pursue our growth strategy and our business prospects;
- our ability to renew our existing leases or secure new leases for our existing or new showrooms, manufacturing facilities or offices on commercially acceptable terms;
- any adverse change in regulations and/or policies of the Reserve Bank of India regulating sourcing of gold under the gold loan scheme;
- non-availability or high cost of quality gold bullion and diamonds;
- significant fluctuations in the price of gold and diamonds;
- inability to continue to implement our marketing and advertising initiatives and brand building exercises or to successfully establish and market our proposed new branded jewellery line;
- our ability to attract and retain skilled designers, craftsmen and sales personnel;
- inability to obtain sufficient working capital to fund our operations and growth; and
- changes in competition in our industry.

For a further discussion of factors that could cause our actual results to differ, see "***Risk Factors***", "***Our Business***" and "***Management Discussion and Analysis of Financial Condition and Results of Operations***" on pages 14, 121 and 277, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, nor the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permissions by the Stock Exchanges for the Equity Shares Allotted pursuant to the Issue.

SECTION II - RISK FACTORS

An investment in equity securities involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section together with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 121 and 277, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus.

Any of the following risks as well as the other risks and uncertainties discussed in this Red Herring Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the Equity Shares to decline, which could result in the loss of all or part of your investment. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition.

This Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared under Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

Internal Risk Factors

1. ***The remuneration of our Managing Director, Mr. Balram Garg, has been increased to ₹5.00 million per month (or ₹60.00 million per annum) prior to the Issue. This transaction and any such similar related party transactions may have an adverse effect on our profitability and results of operations.***

Our Managing Director, and one of our Promoters, Mr. Balram Garg, received a total remuneration of ₹ 1.50 million, ₹ 1.63 million and ₹ 0.13 million in fiscal 2009, 2010 and 2011, respectively. The Board of Directors, in a meeting held on June 3, 2011, re-appointed Mr. Balram Garg as the Managing Director of our Company for a period of five years with effect from July 1, 2011. The Board of Directors also approved an increase in his remuneration to ₹ 5.00 million per month (or ₹ 60.00 million per annum) plus other benefits that the Board of Directors may determine from time to time. Pursuant to the Board resolution, other expenses incurred by Mr. Balram Garg for the business of our Company, including travel, boarding, lodging and entertainment, are also to be borne by our Company.

In compliance with the corporate governance requirements of Clause 49 of the Equity Listing Agreement proposed to be entered into by us with the Stock Exchanges, the Remuneration & Compensation Committee was constituted pursuant to a resolution passed by the Board of Directors on September 20, 2011. Since the increase in Mr. Balram Garg's remuneration was approved by the Board of Directors prior to the constitution of Remuneration & Compensation Committee, such increase in his remuneration has been ratified by the Remuneration & Compensation Committee pursuant to a resolution dated February 17, 2012, and by our shareholders pursuant to a resolution dated March 15, 2012. Further, as per the resolution passed by the Remuneration & Compensation Committee, the remuneration of Mr. Balram Garg shall not exceed 5.0% of the net profits of our Company in any financial year, or such other limit as may be specified, calculated in accordance with the applicable sections of the Companies Act. In fiscal 2012, Mr. Balram Garg received a remuneration of ₹ 45.00 million. For further information, see "***Our Management***" and "***Our Promoters and Group Entities***" on pages 144 and 155, respectively. This increase in Mr. Balram Garg's remuneration and other such similar related party transactions may have an adverse effect on our profitability and results of operation.

The S&P CNX Nifty ("NIFTY 50") is a well diversified 50 stock index of NSE listed stocks accounting for 22 sectors of the Indian economy. Based on the most recently available annual reports of companies on NIFTY 50, the total annual remuneration (including salary, commission/bonus and other benefits), received by managing directors and chief executive officers of such companies, in fiscal 2012 or fiscal 2011, range from ₹ 1.29 million to

₹ 672.05 million. The total annual remuneration, received by managing directors and chief executive officers of public sector undertakings on the NIFTY50, in fiscal 2012 or fiscal 2011, range from ₹ 1.29 million to ₹ 5.42 million. Further, in fiscal 2012 or fiscal 2011, managing directors and chief executive officers of 20 companies on the NIFTY50 received remuneration at par or above the increased remuneration fixed by the Board for Mr. Balram Garg.

2. We have not entered into any definitive agreements to utilize the Net Proceeds and the use of the proceeds of the Issue are based entirely on management estimates and pending such utilization, we may invest in interim investments which may result in financial loss.

We intend to utilize ₹ 5,168.50 million for the establishment of 20 new showrooms across India by fiscal 2014, including in southern and western parts of India where we currently do not have any retail operations. We have conducted analysis of the markets in the proposed locations in Tier II and Tier III cities in India and are currently in the process of identifying the specific locations for our proposed showrooms. While we expect that we will be able to establish these showrooms by fiscal 2014, we may experience delays or financial or operational difficulties in relation to the establishment of these new showrooms, including if we are unable to identify suitable locations or conclude definitive agreements for the lease of such new showrooms on terms anticipated by us or at all, or the contractors hired by us are unable to complete the required work on time, within budget or to the specifications and standards we will have set out in our contracts with them, or we are unable to finance any increase in the estimated cost for the establishment of these new showrooms. As a result of delays in the establishment of the new showrooms to be funded from the Net Proceeds or cost overruns, we may not achieve the expected economic benefits from our expansion plans, which could adversely affect our business, financial condition and results of operations.

The funding requirements for our expansion plans have not been appraised by any bank or financial institution or other independent agency. Further, the cost of establishment of these new showrooms is based on management estimates and estimates obtained from a third party vendor. Such estimates are based on certain assumptions and the estimates and the assumptions may be revised based on several factors including location and size of showroom and demographics of the market it is located in. Further, there can be no assurance that the third party vendor who has provided the estimates will be engaged to eventually provide the services for each showroom for which it has provided estimates. If another party is engaged their estimates and actual costs for the services they provide may substantially differ from the estimates currently received by us. For further information, see "***Objects of the Issue - Methodology for Computation of Estimated Costs***" on page 84.

Our management will have flexibility in deploying the Net Proceeds. Pending utilization of the Net Proceeds for the objects described in "***Objects of the Issue***", we intend to temporarily invest the funds from the Net Proceeds in interest bearing instruments including investment in money market mutual funds, deposits with banks and other interest bearing securities for the necessary duration, and there can be no assurances that such investments would be profitable.

3. If we are unable to effectively manage our expanded operations or pursue our growth strategy, our business prospects, financial condition and results of operations may be materially and adversely affected.

Our business and operations have grown rapidly in recent years. We expanded our retail network from one showroom as of April 13, 2005 to 30 showrooms as of September 30, 2012 and seek to open 20 more showrooms by fiscal 2014. Our revenue from operations increased from ₹ 3,213.40 million in fiscal 2008 to ₹ 30,419.27 million in fiscal 2012 at a CAGR of 75.41%, while our net profit, as restated increased from ₹ 118.87 million in fiscal 2008 to ₹ 2,300.46 million in fiscal 2012 at a CAGR of 109.74%. Our revenue from operations and net profit, as restated was ₹ 18,557.00 million and ₹ 1,419.85 million for the six months ended September 30, 2012, respectively.

As we expand our retail network, we will be exposed to various challenges, including those relating to identification of potential markets and suitable locations for our new showrooms, obtaining leases for such showrooms, competition, different cultures and customer preferences, regulatory regimes, business practices and customs. We may require significant financial resources in connection with the leasing of our new showrooms, financing inventory and hiring of additional employees for our expanded operations. We may be required to obtain loans to finance such expansion and there can be no assurance that such loans will be available to us on commercially acceptable terms, or at all. We will also be required to obtain certain approvals to carry on business in new locations and there can be no assurance that we will be successful in obtaining such approvals. Further, we expect our expansion plans to place significant demands on our managerial, operational and financial resources, and our expanded operations will require further training and management of our employees and the training and induction of new employees. There can also be no assurance that our increased manufacturing capacity will be sufficient to meet the increased requirements of our expanded retail network. In addition, as we enter new markets, we face competition from national, international and local retailers, who may have an established local presence, and may be more familiar with local customers' design preferences, business practices and customs.

Our historic growth rates or results of operations are not representative or reliable indicators of our future performance. While we intend to continue to expand our operations in India, we may not be able to sustain historic growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. While we are also exploring the possibility of setting up international retail operations, we do not have any prior experience in managing retail operations outside India and may not be successful in developing and implementing effective policies and strategies for any proposed international operations. Also, there may be unforeseen operating difficulties and expenditures associated with our international operations and the integration of any proposed international operations into our existing operations, which may require considerable management time and resources.

An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

4. ***If we are unable to renew our existing leases or secure new leases for our existing or new showrooms, manufacturing facilities or offices on commercially acceptable terms, or if we fail to comply with the terms and conditions of our leases resulting in termination of our leases, it could have a material adverse effect on our business, financial condition and results of operations. Further, our lease agreement with UPSIDC contains certain restrictive covenants wherein we are yet to receive their approval for the Issue and other related matters. We cannot assure you that we will receive the required approvals in terms of the lease agreement.***

All our existing showrooms and offices are located at leased properties. In addition, our manufacturing facilities are also located on leased properties. We typically enter into lease agreements for a period of nine years for our showrooms. For details on the duration of existing leases for our showrooms, see *"**Our Business - Showroom Network**"* on page 126. In the event that these existing leases are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected. In addition, any adverse development relating to the landlord's title or ownership rights to such properties may entail incurring significant legal expenses and adversely affect our operations. Our existing leases for our showrooms typically contain a lock-in period of three years, a significant interest penalty for any delays in payment of rent and fixed price escalation clauses that provide for a periodic increase in rent. If our sales do not increase in line with our rent and costs, our profitability and results of operations could be adversely affected.

Some of our existing leases contain restrictive covenants. For example, under the terms of the lease agreement dated December 1, 2009, with the Uttar Pradesh State Industrial Development Corporation Limited (the "**UPSIDC**"), for our manufacturing facility located at plot number F-50, Industrial Area, Selaqui, Dehradun, Uttarakhand, we are required, among others, to obtain the prior consent of the UPSIDC for alterations in Memorandum and Articles of Association, capital structure and shareholding pattern, and any change in our constitution. This lease agreement is valid for a period of 90 years with effect from February 16, 1989. We have, through our letter dated October 15, 2011, intimated UPSIDC with respect to the increase in authorized and paid up share capital, pursuant to the bonus issue of 89,311,000 Equity Shares on September 20, 2011 (the "**Bonus Issue**") to our existing shareholders. We also applied to the UPSIDC pursuant to a letter dated September 26, 2011, seeking its consent to the Issue, and a perpetual waiver of the requirement to seek consent for a change in our shareholding pattern. Subsequently, certain industrial areas, including the land on which our manufacturing facility is located at Selaqui, Dehradun, have been transferred to the State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (the "**SIIDCUL**"). Accordingly, we have applied to the SIIDCUL through letters dated March 20, 2012 and May 5, 2012, for an approval for the Issue and other related matters and have also intimated them of our previous correspondence with UPSIDC.

Through its letter dated June 4, 2012, SIIDCUL permitted our conversion into a public company and the change in our shareholding pattern pursuant to the Bonus Issue. However, as of the date hereof, we have not received consent to undertake the Issue from SIIDCUL. Although we have applied for the required consent for the Issue and have also informed SIIDCUL of our intention to undertake the Issue, undertaking this Issue without obtaining their consent may constitute a breach of the terms of the lease agreement. Various remedies would be available to SIIDCUL, as a consequence, including the termination of the lease agreement. We cannot assure you that SIIDCUL will not take any adverse action against us under the terms of the lease agreement for such failure to comply with the terms of the lease agreement.

In addition, our 34,000 sq. ft. jewellery manufacturing facility in Noida, Uttar Pradesh has been leased from Shivani Sarees Private Limited ("**SSPL**"), which was a subsidiary of our Company from July 9, 2011 until April 14, 2012. SSPL is currently owned by certain third party individuals. We are paying a monthly rent of ₹0.60 million which we believe is below the prevailing market rate for this facility. Further, the lease for this facility is valid until April 30, 2014 and in the event our lease for this facility is not renewed on commercially acceptable terms, we may suffer a disruption in our operations, which could materially and adversely affect our business, financial condition and results of operations.

Our growth strategy involves expanding our showroom network, which necessitates the identification of suitable locations, taking into account the positioning and visibility of the space as well as the characteristics of nearby businesses and the demographics of the area. With the exception of our proposed showroom in Jalandhar, which premises is presently owned by our Company, the premises for our proposed new showrooms are expected to be taken on lease. The success of our retail business is significantly dependent on factors such as the availability of suitable showroom sites in prime and desirable locations on commercially acceptable terms and we encounter significant competition from other retailers in this regard. We intend to open 20 additional showrooms by fiscal 2014, all of which are proposed to be financed through the Net Proceeds. There can be no assurance that we will be able to secure leases for all our showrooms at suitable locations, in time, or on terms that are acceptable to us, or at all. Failure to do so may adversely affect our business prospects, financial condition and results of operations.

5. ***We obtain most of our gold under gold loan schemes, which are governed by specific conditions of the Ministry of Commerce and Industry, Government of India, and the applicable RBI regulations. Any adverse change in the regulations that govern such arrangements or any event due to which we are not able to procure gold under the gold loan schemes using non-fund based credit facilities may materially and adversely affect our business, financial condition and results of operation.***

We source gold for our operations under the gold loan schemes of canalizing agencies and international bullion suppliers. As of September 30, 2012, we have availed of non-fund based credit facilities amounting to ₹12,668.83 million, which were used to procure gold under the gold loan schemes. We benefit from significantly lower effective interest rates by procuring gold under prevailing gold loan schemes as compared to the interest rates payable if we procure gold by outright purchase using fund-based loans. In addition, under the gold loan schemes, the price of gold purchased is fixed on the basis of prevailing gold rates on sale to customers within the applicable credit period, thereby minimizing any risk relating to gold price fluctuations during the period between our procurement of gold and sale of gold jewellery to our customers. If we fail to fix the price of the gold within the relevant credit period or otherwise default on our gold loans, under the terms of such gold loan schemes we will be deemed to have purchased such gold at the prevailing price at the end of the credit period, thereby depriving us of the benefit of the gold loan scheme and exposing us to market risk. Furthermore, these arrangements are subject to specific conditions imposed by the Ministry of Commerce and Industry, Government of India ("**GoI**"), and the Reserve Bank of India ("**RBI**"). In the event of any adverse regulatory development or in the event that we are otherwise not able to avail of such gold loans, we may not be able to benefit from such low interest rates or the ability to fix the price within the specified time frame at the same price at which we sell gold jewellery to our customers. For instance in the last quarter of fiscal 2009 and the first quarter of fiscal 2010, we were unable to procure gold on a loan basis and had to purchase such gold on an outright basis as a result of overseas gold bullion suppliers' refusal to extend credit to Indian canalizing agencies. Any such adverse developments may affect our working capital cycle and expose us to the risk of fluctuations in gold prices, which could have a material adverse effect on our financial condition and results of operations. In addition, gold loan schemes with particular banks are subject to applicable exposure norms and credit limits, and if we exceed such limits, loans in excess of such limits will be subject to prevailing interest rates on commercial loans. Further, pursuant to the Second Quarter Review of the Monetary Policy, 2012-2013, issued by the RBI on October 30, 2012, the RBI has sought to impose a prohibition on the banks from financing the purchase of gold in any form, other than working capital finance. For further information, see *"**Regulations and Policies in India**"* on page 134. Also see, "***- The non-availability or high cost of quality gold bullion and diamonds may have an adverse effect on our business, results of operations and financial condition.***" and *"**Regulations and Policies in India**"* on pages 18 and 134, respectively.

6. ***The use of "PC Jeweller" or similar trade names by third parties may result in loss of business to such third parties, and any potential negative publicity relating to such third parties may adversely affect our reputation, the goodwill of our brand and business prospects.***

We believe our continued success is dependent on brand recognition and customer loyalty based on trust and confidence in the quality and design of our products. We have registered "*PC Jewellers*" as our trademark and have also applied to the Trademarks Registry to register "*PC Jeweller*" and our logo as appearing on the cover page of this Red Herring Prospectus, as trademarks and these applications are currently pending approval. Pending our application for registration, our trademark will have limited protection. We have registered or have applied for registration for several trademarks in connection with our business in India. We are yet to receive registration or final approval for use of some of our trademarks from the Registrar of Trademarks. For further information, see "***Government and Other Approvals***" on page 314. We are aware of other entities that are using "*PC Jeweller*" or similar trade names in the jewellery retail industry. The use of "*PC Jeweller*" or similar trade names by third parties may result in confusion among customers and loss of business. In addition, any adverse experience of customers of such third parties, or negative publicity attracted by such third parties could adversely affect our reputation and brand and business prospects. For example, Mr. Prakram Singh Chaudhary has filed a civil suit against us before the District Judge, Bhilwara, Rajasthan for the infringement of the trademark "*P.C. Jewellers*" and for seeking a permanent injunction restraining us from using the trademark together with a claim for damages. The plaintiff who is the sole proprietor of P.C. Jewellers, in Bhilwara, is also engaged in the jewellery retail business and has contended that they have been first users of the name "*P.C. Jewellers*" in Bhilwara and has also made an application for registration of the trademark. If the suit is decided against us, we may be permanently injuncted from using or advertising the name "*P.C. Jewellers*" or similar names, which may have a material adverse effect on our business and operations. In addition, our Company has filed a civil suit against Mr. Prakram Singh Chaudhary for the infringement of the trademark "*P.C. Jewellers*" before the High Court of Delhi. The High Court has granted an interim injunction to our Company and the matter is currently pending before the High Court of Delhi. For further details, see "***Outstanding Litigation and Material Developments***" on page 310.

7. ***We have significant working capital requirements and if we are unable to secure adequate working capital loans on commercially reasonable terms it could have a material adverse effect on our business, financial condition and results of operations.***

Our business requires a substantial amount of working capital, primarily to finance the purchase of raw materials. Moreover, we may need substantial working capital for expansion of our business. Most of this working capital is obtained through working capital facilities from lenders resulting in an increase in our debt to equity ratio. Further, pursuant to a circular dated December 30, 2010, the RBI has categorized jewellers as a high risk business and, as a result, banks are required to apply enhanced due diligence measures before granting loans to jewellers, including us. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our working capital requirements or to pay our debts, could adversely affect our financial condition and results of operations. For further information regarding the working capital facilities currently availed of by us, see "***Financial Indebtedness***" on page 271. Also see "***- We obtain most of our gold under gold loan schemes, which are governed by specific conditions of the Ministry of Commerce and Industry, Government of India, and the applicable RBI regulations. Any adverse change in the regulations that govern such arrangements or any event due to which we are not able to procure gold under the gold loan schemes using non-fund based credit facilities may materially and adversely affect our business, financial condition and results of operation.***" and "***- Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations***" on pages 17 and 21, respectively.

8. ***The non-availability or high cost of quality gold bullion and diamonds may have an adverse effect on our business, results of operations and financial condition.***

Timely procurement of materials such as gold bullion, diamonds and precious and semi-precious stones, as well as the quality and the price at which it is procured, play an important role in the successful operation of our business. Gold used in our manufacturing operations, particularly for jewellery to be sold within India, is primarily sourced under gold loan schemes from various established canalizing agencies in India. Similarly, gold used in the manufacture of jewellery for export sales is sourced by the manufacturing facilities situated at the Noida SEZ from canalizing agencies or directly from international bullion suppliers. These gold loan arrangements are subject to specified interest rates as advised by the various canalizing agencies from time to time. We may also require specific quality raw materials including precious stones for a particular jewellery design. Accordingly, our business is affected by the availability, cost and quality of raw materials. The prices and supply of these and other materials depend on factors beyond our control, including general economic conditions, competition, production levels and regulatory factors such as import duties. Currently, the RBI allows only certain banks in India to import precious metals such as gold and we are subject to the rates of interest charged by these banks. There has been a significant increase in the cost of gold and diamonds in recent years, which has resulted in an increase in our operational cost. We cannot assure you that we will be able to procure quality raw materials at competitive prices or at all. Our gold loan arrangements are typically limited by the amount of gold that we can procure under the agreement and we may not be able to renew these agreements, on favorable terms, or at all. In addition, if for any reason, our primary suppliers of raw materials should curtail or discontinue their delivery of such raw materials to us, in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our operations could be impaired, our delivery schedules could be disrupted and our business and reputation may be adversely affected. Further, any rise in gold prices may cause customers to delay their purchases, thereby adversely affecting our business, operations and financial condition.

We typically execute purchase orders for diamonds on a spot basis with our suppliers and have not entered into any long-term contracts with them. We source most of our cut and polished diamonds from a limited number of diamond traders in India. Our larger diamonds are also imported from suppliers in locations such as Hong Kong and Dubai. Purchase of diamonds is on a fixed payment basis; i.e. the price and the credit period is fixed at the time of purchase. Should any of these suppliers cease to be able or willing to continue supplying us with diamonds on terms that are acceptable to us, we may have to find other suppliers. There can be no assurance that such other suppliers will be able to meet our needs or be as reliable or provide diamonds of the same quality at the same prices as our current suppliers. Any disruption of supplies from our current diamond suppliers or a failure to adequately replace them may materially and adversely affect our business, financial condition and results of operations.

9. ***Our business depends on our ability to attract and retain skilled designers, craftsmen and sales personnel and competition for such personnel is intense. Failure to attract such personnel could materially and adversely affect our business, results of operations and financial condition.***

Our success depends on our ability to attract, hire, train and retain skilled designers, craftsmen and sales personnel. In the jewellery retail industry, the level and quality of sales personnel and customer service are key competitive factors and an inability to recruit, train and retain suitably qualified and skilled sales personnel could adversely impact our reputation, business prospects and results of operations. We have historically experienced difficulty in identifying, training and retaining sales personnel as the Indian retail industry in general, and the jewellery retail industry in particular, has experienced significant growth in recent years.

Our attrition rate for the six months ended September 30, 2012 was 3.0%. There can be no assurance that attrition rates for our employees, particularly our sales personnel, will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

10. ***Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

As of September 30, 2012, we had total inventory consisting of raw materials, stock in process and finished goods to the value of ₹ 13,962.74 million. Our business operations also involve significant cash transactions and we maintain large amounts of inventory at all our showrooms at all times. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during showroom stocking and display. The retail industry also typically encounters some inventory loss on account of employee theft, shoplifting, vendor fraud, credit card fraud and general administrative error. Although we have set up various security measures, including tagging our products, CCTV in showrooms, armed security guards and follow stringent operational processes such as daily stock taking, we have in the past experienced such incidents. In January 2009, there was an incident of theft in our Panchkula showroom wherein certain jewellery was stolen. For further information, see "***Outstanding Litigation and Material Developments - Litigation by our Company - Consumer Complaint***" on page 311. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy. We have purchased insurance policies in order to manage the risk of losses from potentially harmful events, including: (i) a jeweller's block policy for a total sum of ₹ 14,883.70 million covering theft, fire, breakage, robbery, larceny, damage to jewellery and transportation and handling of jewellery and currency; (ii) a cash in transit insurance policy for a total sum of ₹ 8,800.00 million, covering transit of cash from the office/showroom to a bank and vice versa or for transit of cash after collection from clients; (iii) a machinery insurance policy for a total sum of ₹ 15.86 million, covering any losses caused due to any unforeseen and sudden physical damage by any cause not specifically excluded; (iv) a special contingency insurance policy, for a total sum of ₹ 476.50 million, for our manufacturing facilities in Selaqui, Dehradun, Uttarakhand, Plot no.142A/3, Noida SEZ and Sector 63, Noida, Uttar Pradesh covering theft, fire, breakage, robbery, larceny, damage to jewellery and transportation and handling of jewellery and currency; and (v) a courier insurance policy for a total sum of ₹ 2,000.00 million covering transit of jewellery from manufacturing facility to head office and showrooms. We have in the past purchased and are in the process of renewing a director's and officers liability insurance policy, for a total sum of ₹ 105.00 million, covering losses and claims arising from damages, judgments, settlements, legal fees and costs (excluding fines, statutory penalties, punitive and exemplary damages deemed uninsurable under Indian laws) made against the Directors or officers of the Company, in certain circumstances, on account of any wrongful act committed in their capacity as Directors or officers of the Company.

11. ***Our inability to continue to implement our marketing and advertising initiatives and brand building exercises or to successfully establish and market our proposed new branded jewellery line, the possibilities of which we are currently exploring and evaluating, could adversely affect our business and financial condition.***

The ability to differentiate our brand, products and our showrooms from our competitors through our branding, marketing and advertising programs is an important factor in attracting customers. As the majority of our income is derived from our retail activities, creating and maintaining public awareness of our brand is crucial to our business and accordingly we invest in various marketing and advertising campaigns. If these campaigns are poorly executed, or customers lose confidence in our brand for any reason, our ability to attract and retain customers could be adversely affected. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our expenditure on advertising was ₹ 61.19 million, ₹ 122.56 million, ₹ 264.06 million and ₹ 92.76 million, respectively, which presented as a percentage of revenue from operations, was 0.6%, 0.6%, 0.9% and 0.5%, respectively, in such periods. There can be no assurances that we will be able to sustain optimal levels of marketing, advertising and branding initiatives in the future. Failure to do so could adversely affect our business, financial condition and results of operation. Further, as part of our business strategy we continue to explore and evaluate the possibility of the introduction of our own branded jewellery lines targeted at the luxury market. Any failure to successfully establish and market our proposed branded jewellery line could adversely affect our business, financial condition and results of operations.

12. ***In fiscal 2012 and for the six months ended September 30, 2012, we generated 60.9% and 56.6% of our total domestic sales, respectively, from our operations in Delhi NCR and any adverse developments affecting our operations in this area could have an adverse impact on our revenue and results of operations.***

In fiscal 2012, our eight showrooms in Delhi NCR together contributed 60.9% of our total domestic sales, of which our showrooms at Karol Bagh and South Extension accounted for 20.4% and 8.8%, respectively of our total domestic sales in the same period. Similarly, in the six months ended September 30, 2012, our 13 showrooms in Delhi NCR together contributed 56.6% of our domestic sales of which our showrooms at Karol Bagh and South Extension accounted for 11.5% and 11.3%, respectively of our total domestic sales in the same period. Furthermore, two of our jewellery manufacturing facilities are located in the Noida SEZ, Uttar Pradesh and we have also commenced manufacturing operations at an additional 34,000 sq.ft. manufacturing facility in Noida, Uttar Pradesh in November 2011. The concentration of our operations in this region heightens our exposure to adverse developments related to competition, as well as economic, demographic and other changes in the Delhi NCR, which may adversely affect our business prospects, financial conditions and results of operations. Any adverse development that affects the performance of the showrooms located in the Delhi NCR, in particular our Karol Bagh and South Extension showrooms, or the existing manufacturing facilities located in the Noida SEZ and in Noida, Uttar Pradesh could have a material adverse effect on our business, financial condition and results of operations.

13. ***Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations.***

As of March 31, 2012 and September 30, 2012, our outstanding indebtedness was ₹ 5,751.16 million and ₹ 3,756.28 million, respectively, with the exception of our vehicle loans. As of September 30, 2012, all of our short-term outstanding indebtedness (excluding bank overdrafts) is secured while all of our short-term outstanding indebtedness is payable on demand. As of September 30, 2012, we had also availed of non-fund based credit facilities amounting to ₹ 12,668.83 million, which were used to procure gold under gold loan schemes. We may incur additional indebtedness in the future. Our indebtedness could have several consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which would reduce the availability of cash to fund inventory requirements, capital expenditures, our showroom expansion, acquisitions and other general corporate requirements;
- we may default on the financial covenants as required under one or more of our existing loan agreements;
- our ability to obtain additional financing in the future on reasonable terms may be restricted;
- fluctuations and increase in prevailing interest rates may affect the cost of our borrowings, with respect to existing floating rate obligations and new loans; and
- we may be required to make certain additional payments with regard to certain financing arrangements in the event of withholding tax being imposed on such financing arrangements.

We have entered into agreements with certain banks for short term loans, working capital loans, gold loans, cash credit, letters of credit, and bank guarantees which contain restrictive covenants, including, but not limited to, cross defaults, requirements that we obtain consent from the lenders prior to altering our memorandum and articles of association or capital structure or altering the shareholding pattern, obtaining any additional loans, effecting any scheme of amalgamation or reconstruction, for further expansion of business or taking up a new business activity or investing in a subsidiary whether in the same line of business or in any unrelated business, creating any charge or lien on our assets, or bringing about any change, whether directly or indirectly, in the management and control of our Company. There are also restrictions on how we may use loan funds or proceeds of a further issue of shares, and the interest rate may be changed by our lenders from time to time. Many of our lenders retain the right to cancel the credit facilities extended to us by them. Some of our lenders are entitled to appoint nominee directors on the Board from time to time or convert debt into equity. In the event of default or the breach of certain covenants, our lenders have the option to make the entire outstanding amount payable immediately or to take over and carry on the business of our Company. We have obtained all required consents from our existing lenders for the Issue.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. If our lenders recall their loans, we may have to raise funds to repay such loans. There can be no assurance that we will be able to raise such funds in time, or, at all. Any such requirement to refinance loans on short notice may have a material and adverse effect on our business operations and financial condition. Furthermore, our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. Many of our loan agreements allow our lenders to call upon additional security in relation to existing facilities.

14. The loss of the services of our Promoters, who are also involved in our operations, and other members of our senior management team or our inability to attract and retain skilled personnel could adversely affect our business.

Our Promoters have been involved in the jewellery business in India for more than two decades and have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. One of our Promoters, Mr. Balram Garg is our current Managing Director and our other promoter Mr. Padam Chand Gupta is also involved in our business operations. We are also dependent on our senior management, directors and other key personnel. Our future performance will depend upon the continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of senior management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations.

15. Volatility in the market price of gold and diamonds has a bearing on the value of our inventory and could affect our income, profitability and scale of operations.

The jewellery industry generally is affected by fluctuations in the price and supply of gold, diamonds and, to a lesser extent, other precious and semi-precious metals and stones. Gold prices have been volatile in the recent past, although, there has been an increased investment demand for gold globally. Fluctuations in gold prices may affect our results of operations in various ways. An increase in the price of gold may result in an increase in our income from sales assuming such increases do not adversely affect sales volumes. However, a significant increase in the price of gold or a negative outlook on future gold prices could, in the short term, adversely affect our sales volumes. For instance, although the global gold jewellery demand declined by 5% in terms of volume, it increased by 18% in the terms of value in fiscal 2012 compared to fiscal 2011.(*Source: CARE Report)* Although the rough diamond prices had increased considerably after the economic recession in 2008-09, the rough diamond prices are estimated to have reduced by 4% - 5% from January 2012 and until now.(*Source: CARE Report)* Further, there has also been a slowdown in the demand of polished diamonds and in the first half of the calendar year 2011, although the prices of polished diamonds of 1 carat increased by 30% to 40% during the period. However, the prices declined by 10% - 12% during the second half of the calendar 2011 and have continued to decline by 3% - 4% in the first half of the calendar year 2012. (*Source: CARE Report)* According to the CARE Report, the diamond industry has been struggling as the major mines in the top producing countries have begun to age and the recent economic crisis in the Eurozone has also had a negative impact on the demand for diamonds internationally. As such, any sudden fall in the market price of diamonds may adversely affect our ability to recover our procurement costs. Conversely, an increase in the price of diamonds could lead to a decrease in demand for diamond jewellery and/or a decrease in our profit margins. Consequently, any such fluctuation in the price of gold, diamonds or other raw materials may materially and adversely affect our income, profitability and results of operations.

16. Failure to protect our intellectual property rights including designs may adversely affect our business.

We change our jewellery designs on a regular basis and do not register such designs under the Design Act, 2000. As such, it would be difficult for us to enforce our intellectual property rights in our designs and if our competitors copy our designs, in particular the designs of our products available on our website or the designs given to job-workers. If our competitors successfully copy our designs, we may suffer a loss of revenue, which could adversely affect our results of operations and financial condition. Further, designs developed by us may inadvertently infringe on the intellectual property rights of third parties, which may expose us to legal proceedings. Thus we are susceptible to litigation for infringement of intellectual property rights in relation to such designs. Any such litigation, proceedings or allegations could materially and adversely affect our reputation, results of operations and financial condition.

If we fail to protect our intellectual property rights, including, designs trademarks, trade secrets and copyrights, our business and financial condition may be adversely affected. For example, see "*- **The use of "PC Jeweller" or similar trade names by third parties may result in loss of business to such third parties, and any potential negative publicity relating to such third parties may adversely affect our reputation, the goodwill of our brand and business prospects.**"* on page 18.

17. We extend significant credit terms to our customers for our export business, and any deterioration in such customers' financial position and their ability to pay or our inability to extend credit in line with market practice could adversely impact our sales.

We also sell our gold and diamond jewellery to international distributors in Dubai and Hong Kong. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our export sales accounted for 33.5%, 34.4%, 33.0% and 32.6%, respectively, of our revenue from operations. In fiscal 2012 and the six months ended September 30, 2012, all of our export sales were made to 11 customers and five customers respectively, and our largest customer accounted for 34.4% and 39.1% of our export sales respectively. All our export sales are made utilizing credit provided by us to our customers pursuant to our prevailing credit policy. As we do not enter into any definitive agreements with such customers and they have possession of our jewellery products, we may not be able to recover our products in case of any delay or non-receipt of payment from such customers, which may result in significant loss and an increase in our working capital cycle and have a material adverse effect on our business, financial condition and results of operations. Further, any downturn in the general or local economic conditions of the markets in which our export customers operate may adversely affect the collection of outstanding credit accounts receivable by us, increase our net bad debts and hence materially adversely affect our income and financial position.

Further, as we do not have any long-term contracts with our customers, they are not subject to any contractual provisions or other restrictions that preclude them from purchasing products from our competitors. Due to the high value nature of our products, establishing long-term relationships with our customers is key to securing repeat business and recommendations from them. Our business and results of operations would be adversely affected if we were unable to extend credit in accordance with market practice or to maintain or further develop our relationships with significant customers. The loss of business from any significant customer(s) may have a material adverse effect on our results of operations.

18. Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.

Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes on festivals and other occasions such as Durga Puja, Akshay Tritiya, Dhanteras, Diwali and Christmas which occur in the third and fourth quarter of the fiscal year. This period also coincides with the wedding season in India. While we stock certain inventory to account for this seasonality, our fixed costs such as lease rentals, employee salaries, showroom operating costs and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year. Consequently, lower than expected net sales during the third or fourth quarters of the fiscal year or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year, or could strain our resources and impair our cash flows. Any slowdown in demand for our jewellery during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations.

19. Our Promoters and members of the Promoter Group have provided personal guarantees amounting to 100% of our total outstanding indebtedness (other than our vehicle loans), and some of our Group Entities and members of the Promoter Group have executed corporate guarantees in relation to all of the loan facilities availed by us (other than our vehicle loans), which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

Our Promoters and members of the Promoter Group have provided personal or corporate guarantees in relation to all of the working-capital loan facilities availed of by us. In addition, certain entities which are not a member of the Promoter Group have also provided corporate guarantees in relation to our working capital requirements. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

20. The Indian jewellery retail industry is extremely competitive.

We operate in highly competitive and fragmented markets, and competition in these markets is based primarily on market trends and customer preferences. The Indian jewellery retail industry is highly fragmented and dominated by the unorganized sector, from which the organized retail jewellery sector faces intense competition. The players in the jewellery sector in India often offer their products at highly competitive prices and many of them are well established in their local markets. We also compete against other organized national, regional and local players. Aggressive discounting by competitors, particularly those facing financial pressures or holding "going out of business" sales, may force us to reduce our prices in order to remain competitive and may thereby adversely impact our results of operations. This is particularly the case for easily comparable pieces of jewellery, of similar quality, sold through showrooms that are situated near ours. The pricing of gold jewellery in particular is extremely competitive due to its objectively verifiable value. This results in us having limited control over our pricing of gold jewellery. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations. For more information regarding our competitors, see "***Our Business - Competition***" on page 132.

21. Our operations currently benefit from certain direct tax incentives. In the event we are unable to continue to benefit from such tax benefits, or other taxes applicable to us increase, our financial condition and results of operations may be adversely affected.

Taxes and other levies imposed by the GoI or State Governments that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other charges by the Central and the State Governments or increases in existing charges may adversely affect our results of operations. Our operations currently benefit from certain direct tax incentives. Our manufacturing unit located at 142 A/3 Noida SEZ, Uttar Pradesh is exempted from income tax (current tax) till March 31, 2015 and partly exempted till March 31, 2025 under the provisions of Section 10AA of the Income Tax Act while our other manufacturing unit located at 65 Noida SEZ, Uttar Pradesh is partly exempted till March 31, 2022 in accordance with the provisions of Section 10AA of the Income Tax Act. These two facilities commenced operations in fiscal 2011 and fiscal 2008, respectively. Deferred tax pertaining to the above units are recognized on the timing differences being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. In addition, our two manufacturing units in Selaqui, Dehradun, Uttarakhand, which are located in the notified places as prescribed under section 80IC of the Income Tax Act, 1961 and are consequently eligible for a deduction of 100% of the profits and gains of the units for the first five consecutive years and 30% for the next five consecutive years. We are eligible for a deduction of 100% of our profits and gains for the two units until March 31, 2013 and 2014, respectively, and a deduction of 30% of our profits and gains for the two units until March 31, 2018 and 2019, respectively. These units commenced operations in fiscal 2009 and fiscal 2010, respectively. Deferred tax pertaining to these above units are recognized on the timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. Further, all of our manufacturing units are subject to a minimum alternative tax regime on the profit recorded by us in accordance with Section 115JB of the Income Tax Act, and we are therefore entitled to only a part of these tax incentives. Our effective tax rates based on our audited financial information in fiscal 2010, 2011, 2012 and in the six months ended September 30, 2012 were 13.6%, 11.6%, 13.4 and 20.4%, respectively, significantly lower than the prevailing tax rates that we would have been subjected to in the absence of these tax incentives. For instance, our effective tax rate increased in the six months ended September 30, 2012 as the full exemption from income tax that one of our manufacturing unit located at 65 Noida SEZ, Uttar Pradesh was eligible for, expired on March 31, 2012. This manufacturing unit is currently only partly exempted (amounting to 50.0% exemption from income tax) until March 31, 2022 in accordance with the provisions of Section 10AA of the Income Tax Act. Our profitability may be affected in the future if any of the above mentioned benefits are reduced or withdrawn prior to the respective periods mentioned therein or if we are subject to any disagreements from tax authorities with respect to our application of tax exemptions. There is no assurance that we will continue to enjoy such tax benefits in the future. Any adverse change in Indian tax regulations or policy may result in us losing such benefits and our business, financial condition and results of operations may be adversely affected as a result. Further, pursuant to the SEZ Act we have to maintain positive net foreign exchange earning that is to be calculated cumulatively for a period of five years from the commencement of our operations carried from the Noida SEZ. In the event we fail to maintain positive net foreign exchange earnings, we would be subject to such penalties as contained in the Foreign Trade (Development and Regulation) Act, 1992, including penalties which may go up to five times the value of the goods in respect of which contravention is made. In the event that any adverse development in law or manner of implementation affect our ability to benefit from these tax incentives, our results of operations may be adversely affected. For further information relating to the various tax benefits available to us, see "***Statement of Tax Benefits***" on page 91.

22. Our business is subject to changes in tax rules and regulations or policies imposed by the Government of India or other State Governments that could adversely affect our business and financial condition and results of operations.

The central and state tax scheme in India is subject to change from time to time. Any adverse change in Indian tax rules and regulations or policy may have an adverse effect on our business, financial condition and results of operations. For instance, pursuant to certain notifications issued by the Ministry of Finance, GoI, the import duty on gold bars (other than tola bars) and platinum has been increased from 2% to 4% of the value of gold or platinum being imported while the import duty on silver has been increased to 6% of the value of silver being imported from its earlier level of ₹ 1,500 per kilogram, respectively. Further, the Income Tax Act has been recently amended to impose an additional tax of 1% to be collected at source from the buyer in case of any cash purchase of bullion (excluding coins or other articles weighing ten grams or less) and jewellery above ₹ 200,000.00 and ₹ 500,000.00, respectively. For further information, see "***Industry Overview - Recent developments - Certain policy measures for gems and jewellery industry: 2012-2013***" on page 119. Pursuant to the increase in the duties, the price of such precious metals including gold and silver jewellery will increase and we may not be able to pass such increases to our customers. As such, we cannot assure you that such changes or other regulatory changes in the future, will not have an adverse effect on our business and financial condition and results of operations.

23. Our ability to attract customers is dependent on the location of our showrooms and any adverse development impairing the success and viability of our showrooms could adversely affect our business, financial condition and results of operations.

Our stores are typically located at "high street" locations with high visibility. Sales at these showrooms are derived, in part, from the volume of footfalls in these locations. Showroom locations may become unsuitable due to, and our sales volume and customer traffic generally may be adversely affected by, among other things: economic downturns in a particular area; competition from nearby jewellery retailers; changing consumer demographics in a particular market; changing lifestyle choices of consumers in a particular market; and the popularity of other businesses located near our showroom.

Given the long-term nature of our leases and our focus on large-format showrooms the continued popularity of particular locations is important for our business. Changes in areas around our showroom locations that result in a reduction in customer footfalls or otherwise render the locations unsuitable could result in reduced sales volume, which could materially and adversely affect our business, financial condition and results of operations.

24. If we are unable to maintain existing and/or establish new arrangements with independent contractors who manufacture our products, our business could be adversely affected.

We outsource the manufacture of a portion of our products to a network of independent contractors. We have not entered into written arrangements with any of these independent contractors, and there can be no assurance that these contractors will continue to be associated with us on reasonable terms, or at all. Further, since the independent contractors are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to these independent contractors, which may cause them to prefer our competitors over us. Although we work closely with these independent contractors, we do not exercise control over them, and our arrangements with these independent contract manufacturers could involve various risks, including potential interruption to their operations for factors beyond their or our control, any significant adverse changes in their financial or business conditions, as well as low levels of output or efficiency.

25. ***Demand for our products is subject to rapid and unpredictable changes in fashion trends and consumer preferences, and our inability to anticipate and address such changes may adversely affect our business prospects, results of operations and financial condition.***

The jewellery industry, like other luxury retail industries, is subject to rapid and unpredictable changes in fashion trends and customer preferences. Customer preferences for jewellery designs and types may vary significantly from region to region in India and in each of our international markets. Furthermore, the increasing popularity of branded jewellery merchandise may adversely impact our business prospects and revenues if we are unable to successfully design, manufacture and market branded jewellery. In addition, the availability and consumer acceptance of alternate metals such as cubic, zirconia, moissanite or laboratory-created diamonds or a shift in customer preference to other luxury products may also adversely affect our business. Our inability to anticipate, identify and react appropriately or in a timely manner to customer preferences, or failure to develop and implement customer oriented sales policies that influence customer purchase decisions, could result in a decrease in consumer acceptance of our products, a diminished brand image and market share, which could result in lower profits. These changes can adversely affect our business prospects, results of operations and financial condition.

26. ***Conflicts of interest may arise out of common business objects shared by our Company and one of our Group Entities.***

Our Promoters and members of the Promoter Group have interests in other companies and entities that may compete with us. One of our Group Entities, PC Jewellers (Exports), a partnership firm, shares common business objects with our Company and was involved in the export of jewellery but has currently stopped all its operations since December 2011 (except as required in the course of the dissolution of the partnership). The partners of PC Jewellers (Exports), including one of our Promoters, Mr. Balram Garg, had given an undertaking dated September 27, 2011 to dissolve the partnership as soon as practicable and not to directly or indirectly, between September 27, 2011 and the date of dissolution of the partnership, engage in and/or procure new business, including orders from any customers pursuant to any long-term arrangement (whether existing or otherwise). Further, Mr. Balram Garg and Mr. Sachin Gupta have given an undertaking dated September 27, 2011 that so long as they are associated with us as a shareholder or promoter or employee or member of our Board of Directors, they will not, directly or indirectly, including through their sons, daughters and spouses, engage in, promote, finance, invest in, manage, or be connected or concerned with any business if such business deals with or offers same or similar products and services as any of our businesses. However, there can be no assurance that the other members of their family (other than their sons, daughters and spouses) will not conduct or engage in competing businesses in the future. Further, there is no requirement or undertaking for our Promoters or Group Entities or such similar entities to conduct or direct any opportunities relating to the jewellery industry only to or through us. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interests. There can be no assurance that our Promoters or our Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

27. ***We had negative net aggregate cash flows amounting to ₹ 217.16 million and ₹ 77.60 million in fiscal 2011 and 2012, respectively, and may continue to do so in the future.***

The following table sets forth selected items from our restated cash flow statement for the periods indicated:

Particulars	Fiscal			Six months ended September 30, 2012
	2010	2011	2012	
	(₹ in million)			
Net cash generated from/(used in) operating activities	1,700.88	(293.31)	(3,377.05)	3,252.72
Net cash generated from/(used in) investing	(110.73)	(116.28)	(378.99)	(68.76)

Particulars	Fiscal			Six months ended September 30, 2012
	2010	2011	2012	
	(₹ in million)			
activities				
Net cash generated from/(used in) financing activities	(1,373.76)	192.43	3,678.44	(2,504.21)
Net increase / (decrease) in cash and cash equivalents	216.39	(217.16)	(77.60)	679.75

Our negative net aggregate cash flows in fiscal 2011 and 2012, has been primarily due to the costs involved in establishing additional showrooms and an increase in our sundry debtors, in line with the growth in our export business. Our cash flows from operating and investing activities may continue to be negative in the future. In addition, our ability to pay dividends or to generate positive cash flows from operating activities in the future will depend upon a number of factors, including our results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other similar factors. For further information, see "***Financial Statements***" on page 163.

28. Any increases in interest rates would have an adverse effect on our results of operations.

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Our borrowings are subject to interest rates which may be fixed from time to time at the discretion of our lenders. As of September 30, 2012, we had outstanding indebtedness of ₹ 3,304.49 million, with the exception of our vehicle loans, bank overdrafts and working capital demand loans, all of which was subject to floating interest rates. In addition, as of September 30, 2012, we have also availed non-fund based credit facilities amounting to ₹ 12,668.83 million, which were used to procure gold under the gold loan schemes. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. For example, the RBI had increased the rates of interest on certain occasions such as in August 2012, which led to an increase in our interest costs as a result of an increase in the base lending rate by our lenders. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations.

29. The requirements of being a listed company may strain our resources.

We have no experience as a publicly listed company and have not been subjected to increased disclosure requirements and the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. Our Promoters have also not been associated with any listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis within specified timelines. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. In addition, we may need to engage additional legal and accounting personnel with appropriate experience and technical accounting knowledge, resulting in increased costs, and we cannot assure you that we will be able to do so in a timely manner, or, at all.

30. Our insurance policies provide limited coverage and may not adequately insure us against certain operating hazards which may have an adverse effect on our business.

Our insurance policies currently comprise: (i) a jeweller's block policy for a total insured sum of ₹ 14,883.70 million covering theft, fire, breakage, robbery, larceny, damage to jewellery and transportation and handling of jewellery and currency; (ii) a cash in transit insurance policy for a total insured sum of ₹ 8,800.00 million, covering transit of cash from the office/showroom to a bank and vice versa or for transit of cash after collection from clients; (iii) a machinery insurance policy for a total insured sum of ₹ 15.86 million, covering any losses caused due to any unforeseen and sudden physical damage by any cause not specifically excluded; (iv) a special contingency insurance policy, for a total insured sum of ₹ 476.50 million, for our manufacturing facilities in

Selaqui, Dehradun, Uttarakhand, Plot no.142A/3, Noida SEZ and Sector 63, Noida, Uttar Pradesh covering theft, fire, breakage, robbery, larceny, damage to jewellery and transportation and handling of jewellery and currency; and (v) a courier insurance policy for a total insured sum of ₹ 2,000.00 million covering transit of jewellery from manufacturing facility to head office and showrooms. We have in the past purchased and are in the process of renewing a director's and officers liability insurance policy, for a total insured sum of ₹ 105.00 million, covering losses and claims arising from damages, judgments, settlements, legal fees and costs (excluding fines, statutory penalties, punitive and exemplary damages deemed uninsurable under Indian laws) made against the Directors or officers of the Company, in certain circumstances, on account of any wrongful act committed in their capacity as Directors or officers of the Company. For further information regarding the insurance policies availed by us, see "***Our Business - Insurance***" on page 133. Also see " - ***Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition***" on page 19. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. The extent of this material adverse effect on our business, financial condition and results of operation is not disclosed as it cannot be quantified.

31. Any failure or disruption of our information technology systems could adversely impact our business and operations.

We rely on our IT systems to provide us with connectivity across our business functions and showrooms through our software, hardware and network systems. We do not currently have an offsite data back-up facility. Our business processes are IT enabled, and any failure in our IT systems or loss of connectivity or any loss of data arising from such failure could disrupt our ability to track, record and analyze work in progress, process financial information, manage creditors/debtors or engage in normal business activities, which could have a material adverse effect on our operations. Furthermore, we individually tag each item that is sold at our showrooms, which enables us to track, record and analyze sales of our products to consumers across all showrooms owned by us. In particular, we are in the process of implementing a new enterprise resource planning ("**ERP**") system to assist in managing our operations. For details, see "***Our Business - Information Technology***" on page 133. Any such delay or disruption, or a failure to effectively and timely implement the ERP systems, could have a material adverse effect on our business, financial condition and results of operations. Further, any failure, disruption or manipulation of our tagging system could disrupt our ability to track, record and analyze sales of our products, which could have a material adverse effect on our business.

32. The Net Proceeds and our internal accruals may be inadequate to meet the Objects of the Issue in the event of any cost overruns, unforeseen contingencies, or any increase in the fund requirements of our expansion plans and our Company may not be able to raise additional capital to fund our expansion, which could adversely affect our business and results of operations.

We intend to utilize the Net Proceeds in entirety for the purposes described in the "***Objects of the Issue***" on page 82. Any shortfall in the Net Proceeds is intended to be financed from internal accruals, through cash flows from our operations, and as such we do not need to make any alternate arrangements for funds for our Objects of the Issue. In the event of any cost overruns, unforeseen contingencies, or any increase in the fund requirements of our expansion plans, there can be no assurance that the Net Proceeds and our internal accruals will be adequate to fund our expansion plans, as has been disclosed in the "***Objects of the Issue***". Accordingly, we may have to raise additional funds through incremental debt, which may not be available to us on commercially acceptable terms, or at all. Further, any delay in raising the funds through the Issue may adversely affect the implementation of our expansion plans and financial condition and results of operation of our Company.

33. As of the date of the Red Herring Prospectus, there are 11 outstanding legal proceedings involving our Company and our Promoter Directors. Any adverse outcome in such legal proceedings may affect our business, results of operations and financial condition.

There are outstanding legal proceedings involving our Company and our Promoter Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators. If there are any rulings against us or any Promoter Directors by the appellate courts or tribunals, we may face financial and reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. In addition, further liability may arise out of these claims.

Brief details of such outstanding litigation as of the date of this Red Herring Prospectus are as follows:

Litigation involving our Company

S. No.	**Nature of cases**	**No. of outstanding cases**	**Amount involved** ***(in ₹ million)***
Litigation against our Company			
1.	Intellectual property	1	Not ascertainable
2.	Value Added Tax	2	9.88
3.	Consumer Complaint	1	0.17
4.	Compensation Claim	1	5.50
Litigation by our Company			
1.	Consumer complaint	1	12.27
2.	Intellectual property	1	2.00
3.	Service tax	2	Not ascertainable

Litigation involving our Promoter Directors

S. No.	**Name of Promoter**	**Nature of cases**	**No. of outstanding cases**	**Amount involved** ***(in ₹ million)***
Litigation against our Promoter Directors				
1.	Mr. Padam Chand Gupta	Civil proceeding	1	Not ascertainable
		Service tax	1	Not ascertainable
2.	Mr. Balram Garg	Central excise	1	0.10
		Service tax	1	Not ascertainable

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further information, see "***Outstanding Litigation and Material Developments***" on page 310.

34. We require certain approvals, permits and licenses in the ordinary course of business, and any failure or delay to obtain or renew them may adversely affect our operations.

We require certain statutory and regulatory permits and approvals for our business. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals within the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. Further, these permits, licenses and approvals are subject to several conditions, and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. Any such failure or delay in obtaining such approvals, permits and licenses may affect our ability to procure gold on lease or cause us to default on our existing gold loan agreements, which may in turn have an adverse effect on our business and results of operations.

Further, with respect to showrooms that are to be opened in the future, the Company will be required to make the necessary applications for the statutory and regulatory permits and approvals, before opening such showrooms.

The following table sets forth information relating to all the approvals that have been applied for and not yet obtained in relation to our existing manufacturing facilities and showrooms as of the date of this Red Herring Prospectus:

S. No.	**Particulars**

Approvals in relation to our manufacturing facilities	
1.	A consent to operate under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974 in relation to our manufacturing facility at Sector 63, Noida
2.	A renewal of the approval for the establishment of a unit under the Special Economic Zones Act, 2005, in relation to our manufacturing facility at Plot No. 65 Noida, SEZ
Approvals in relation to our showrooms	
1.	Three trade licenses under the Municipal Corporation Act of the respective city/state in relation to our Greater Kailash, Kingsway Camp and Rajouri Garden showrooms
2.	Two registrations under the Employee State Insurance Act, 1948 for the showrooms situated in Greater Kailash and Kingsway Camp in New Delhi
3.	Five certification marks license issued by the Bureau of Indian Standards for the showrooms situated in Chandigarh, Kanpur, Rohtak, Indirapuram and Kingsway Camp for gold and gold alloys; silver and silver alloys, respectively
Intellectual Property	
1.	34 applications for registration of trademarks (under different classes) under the Trademarks Act, 1999 read with the Trademarks Rules, 2002

For further details, see "***Government and Other Approvals***" on page 314.

Although we believe that our operations are in material compliance with applicable laws and regulations, regulatory authorities may allege non-compliance and may subject us to regulatory action in the future, including penalties and other legal proceedings. Further, due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditure to comply with these regulatory requirements may vary substantially from those currently in effect.

35. Negative publicity with respect to our products or the industry in which we operate could adversely affect our business, financial condition and results of operations.

Our business is dependent on the trust our customers have in the quality of our merchandize. Any negative publicity regarding our Company, our products or the jewellery industry generally could adversely affect our reputation and our results of operations. Customer preferences could be affected by a variety of issues including non-acceptance of diamonds from specific regions, non-promotion of jewellery by the fashion industry, and a decrease in the perceived value and customer satisfaction of the jewellery compared to its price. For example, media and public attention has focused on "conflict" or "blood" diamonds, which are mined under exploitative conditions in war-torn regions of Africa and sales of which tend to fund terrorism, violence and other unlawful activities. Our policy is not to purchase conflict diamonds and, to this end, we source all of our imported diamonds from suppliers that provide "conflict-free" certifications, such as "sightholders" authorized by the rough diamond distribution arm of the De Beers Group, the Diamond Trading Company ("**DTC**"), which sorts, values and sells a significant quantity of the world's rough diamonds. However, there can be no guarantee that the procedures implemented by these suppliers are fail-proof. Challenges to the "conflict-free" status of diamonds sold by our Company may result in a negative change in consumer attitudes to jewellery generally and could result in negative publicity, having a material adverse effect on our business, financial condition and results of operations.

36. We have entered into transactions with related parties amounting to ₹ 41.36 million, ₹ 1,657.49 million, ₹ 1,698.76 million, ₹ 1,940.38 million, ₹ 968.79 million and ₹ 805.81 million, for the six months ended September 30, 2012 and in fiscal 2012, 2011, 2010, 2009 and 2008, respectively. These transactions or any future transactions with our related parties could potentially involve conflicts of interest and there can be no assurances that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition.

We have entered into certain transactions with related parties, including our Promoters, Promoter Group, Group Entities and key managerial personnel and may continue to do so in future. These transactions or any future transactions with our related parties could potentially involve conflicts of interest. The value of related party transactions aggregated ₹ 41.36 million and ₹ 1,657.49 million, ₹ 1,698.76 million, ₹ 1,940.38 million, ₹ 968.78 million and ₹ 805.81 million, for the six months ended September 30, 2012 and in fiscal 2012, 2011, 2010, 2009 and 2008, respectively.

The following table sets forth information on our related party transactions with our key management personnel, relatives of our key management personnel and entities over which our key management personnel are able to exercise significant influence, for the periods stated:

Particulars		**Fiscal**				
	Six Months ended September 30, 2012	**2012**	**2011**	**2010**	**2009**	**2008**
						(₹ in million)
			Subsidiary			
Transactions during the year						
Rent Paid	0.31	3.21	-	-	-	-
Security Deposit for Leasing Agreement	-	-	-	10.90	-	-
Interest Income	0.33	3.63	-	-	-	-
Loan Given	-	94.00	-	-	-	-
Guarantees and Collaterals	-	-	65.00	65.00	-	-
Investments Made	-	0.10	-	-	-	-
Total	**0.64**	**100.94**	**65.00**	**75.90**	**-**	**-**
			Key Management Personnel			
Transactions during the year						
Rent Paid	1.47	2.48	2.61	2.27	2.27	2.27
Remuneration Paid	30.04	45.38	1.04	5.48	4.98	1.95
Shares Issued	-	775.83	27.50	180.00	-	38.00
Share Application Money Received	-	-	248.61	366.50	374.61	219.55
Share Application Money Refunded	-	-	225.06	139.53	282.71	184.62
Share Premium Received	-	-	137.50	-	-	-
Total	**31.51**	**823.69**	**642.32**	**693.78**	**664.57**	**446.39**
			Relatives of Key Management Personnel (with whom transactions have taken place during the year)			
Transactions during the year	**Six Months period ended September 2012**	**2012**	**2011**	**2010**	**2009**	**2008**
Rent Paid	0.38	0.74	0.75	0.65	0.65	0.65
Advances received back	3.92	-	-	-	-	-
Remuneration Paid	3.56	5.47	0.89	0.14	0.13	0.16
Shares Issued	-	68.06	0.10	-	-	2.00
Car Purchased	-	-	-	3.00	-	-
Purchases	-	-	-	3.39	-	-
Advances Given	-	3.92	-	-	-	-
Share Application Money Received	-	-	5.09	149.64	77.50	138.85
Share Application Money Refunded	-	0.80	5.03	149.69	77.63	135.93
Total	**7.86**	**78.99**	**11.86**	**306.51**	**155.91**	**277.59**
			Entities over which key management personnel are able to exercise significant influence (with whom transactions have taken place during the year)			
Transactions during the year	**Six Months period ended September 30, 2012**	**2012**	**2011**	**2010**	**2009**	**2008**
Sale of Goods	-	377.95	779.08	594.08	148.15	80.20
Purchase of Goods	-	183.88	-	-	-	-
Rent Paid	1.35	2.65	0.20	-	-	-
Purchase of Uniform	-	-	0.17	0.10	0.16	0.03
Security Deposit For Leasing Agreement	-	-	-	14.50	-	-
Share Issued	-	49.22	16.65	-	-	-
Other Income	-	-	-	0.65	-	0.10
Purchases	-	-	-	4.49	-	-
Share Application Money Received	-	-	100.00	105.00	-	1.50

Particulars		Fiscal				
	Six Months ended September 30, 2012	2012	2011	2010	2009	2008
						(₹in million)
Share Application Money Refunded	-	0.19	0.23	104.77	-	-
Advances	-	-		40.60		
Purchase of Property	-	39.98	-	-	-	-
Share Premium Received	-	-	83.25	-	-	-
Total	**1.35**	**653.87**	**979.58**	**864.19**	**148.31**	**81.83**

For further information, see "***Our Promoters and Group Entities***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Financial Statements Annexure XXX - Statement of Related Parties Transactions, as Restated***" on pages 155, 277 and 218, respectively. We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. For instance, our Registered Office in Karol Bagh, New Delhi which also houses one of our showrooms has been given on lease/license to us by our Promoters until March 31, 2016. We believe that our Company is currently paying rent at less than market rates to the lessors for the abovementioned premises. Any new rental arrangements with our Promoters, the Promoter Group and/or Group Entities will be on an arm's length basis and subject to the review of our Audit Committee in accordance with its terms of reference. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, financial condition and results of operations, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with our Promoters, the Promoter Group, Group Entities and key managerial personnel in the future.

37. Contingent liabilities, which have not been provided for, amounting to ₹17.35 million as at September 30, 2012, could adversely affect our financial conditions.

Our contingent liabilities as at September 30, 2012 aggregated ₹ 17.35 million. These contingent liabilities consist principally of a corporate guarantee given to a third party on behalf of others. If any or all of these contingent liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information, see "***Financial Statements***" on page 163.

As of September 30, 2012, we had the following contingent liabilities:

Claims against our Company not acknowledged as debt (excluding cases where the possibility of any outflow in settlement is remote)	As at September 30, 2012 (₹ million)
Value added tax	1.85
Guarantees	10.00
Legal Cases (excluding interest amount which is not ascertainable)	5.50
Total	**17.35**

38. Three of our Group Entities have incurred losses amounting to a total of ₹0.14 million in fiscal 2010 and one Group Entity incurred a loss amounting to ₹0.02 million in fiscal 2011.

Three of our Group Entities have incurred losses in recent years, as set forth in the table below:

Particulars	Fiscal 2010	Fiscal 2011	Fiscal 2012
Profit/(Loss) (in ₹)			
Group Entity			
Amar Garments (P) Ltd	(121,274)	54,464	15,104
Trigun Infrastructures (P) Ltd	(13,917)	(20,118)	5,408
Onyx Townships (P) Ltd	(1,600)	100,990	387,728

39. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.

We have not paid any dividends in the past and there can be no assurance that we will pay dividends in the future. The declaration of dividends would be recommended by our Board of Directors, at its sole discretion, and would depend upon a number of factors, including Indian legal requirements, our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Our business is working capital intensive. We further propose to incur capital expenditure in setting up more showrooms. Additionally, we are restricted by the terms of our debt financing from making dividend payments in the event we default in any of the debt repayment installments.

40. Our Promoters together with our Promoter Group will continue to retain majority shareholding in our Company subsequent to the Issue, which will allow them to exercise significant influence over our Company. We cannot assure you that our Promoters and/or our Promoter Group will always act in our Company's or your best interest.

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters and our Promoter Group. Upon completion of the Issue, our Promoters and Promoter Group will own 125,404,500 Equity Shares, or 70.02% of our post-Issue Equity Share capital (assuming full subscription of the Issue). Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our memorandum and articles of association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or your favour. Also see, "***- Conflicts of interest may arise out of common business objects shared by our Company and one of our Group Entities***" on page 26.

41. Our ability to access capital depends on our credit ratings. Any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.

The cost and availability of capital is, amongst other factors, dependent on our credit ratings. We are currently rated A/A1 by CRISIL. Ratings reflect the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

42. Any future labor disputes or strikes or work stoppages could lead to lost production and/or increased costs.

We believe we enjoy a good relationship with our employees. Although we have not had strikes or work stoppages by our employees in the past, any strikes or work stoppages we may face in the future could have an adverse impact on our operations, particularly given our dependence on our skilled workforce. Any strike or work stoppage by our employees could have a material adverse effect on our business, financial condition and results of operations.

In addition, strikes, such as the strike organized by the bullion traders and jewellers across India in April 2012 against the hike in import duty in gold and imposition of excise duty on unbranded jewellery, pursuant to the Finance Bill 2012-2013, resulted in the loss of revenue for the industry. Such strikes have had an adverse impact on our business and operations as we also had to keep most of our showrooms closed during the recent strikes. There can be no assurance that there will not be such strikes in the future. Such long periods of business disruption could also result in a loss of customers, which would adversely affect our business, financial condition and results of operations. Further, if such strikes are held during periods in which we have higher sales, such as Diwali and Akshay Tritiya, our sales would be materially and adversely affected.

External Risk Factors

43. Jewellery purchases are discretionary and are often perceived to be a luxury purchase. Any factor which may bring discretionary spending by consumers under pressure may adversely affect our business, results of operations and financial condition.

Jewellery purchases are typically high-value, luxury purchases and depend on consumers' discretionary spending power. Various factors affect discretionary consumer spending, including economic conditions, perceptions of such conditions by consumers, economic outlook, employment, the level of consumers' disposable income, the savings ratio, business conditions, inflation levels, interest rates, consumer debt and asset values, availability of credit and levels of taxation, among others.

Most of our customers are individuals who purchase jewellery for personal use and who are generally less financially resilient than corporate entities. Additionally, gold and diamond jewellery is not perceived to be a necessity which may result in a significant fall in demand in the case of adverse economic conditions as opposed to demand for those goods that are perceived as a necessity. Any such fall in demand or a decline in the general economic conditions in India or our international markets or conditions which may bring discretionary spending by consumers under pressure could adversely affect our business, financial condition and results of operations.

44. The retail sector is subject to extensive foreign exchange regulations.

The retail sector in India is regulated by the GoI, State Governments and local authorities. Further, investments made by non-residents into India are governed by the Foreign Exchange Management Act, 1999 and the rules and regulations thereunder and the Consolidated Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion effective from April 10, 2012 ("**FDI Policy**"). According to recent notifications issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI, foreign direct investment ("**FDI**") has now been permitted in the Indian multi-brand retail trading industry up to a maximum of 51.0%, with prior Governmental approval and subject to the satisfaction of certain conditions. Further, under the FDI Policy, FDI in the Indian single-brand retail is permitted up to 100% of such company's paid-up share capital, with prior Governmental approval, subject to the satisfaction of certain conditions. International jewellery retailers, with greater resources and brand recognition, may now consider establishing stores in India. This may have an adverse impact on our business, results of operations and financial condition.

Furthermore, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. Limitations on debt in foreign currencies may have an adverse effect on our business growth, financial condition and results of operations.

45. We are exposed to currency exchange risks. Any adverse fluctuation in currency exchange rates may adversely affect our financial condition and results of operations.

While most of our revenues are denominated in Indian Rupees, a significant portion of our revenues and expenses are denominated in currencies other than Indian Rupees, primarily U.S. Dollars. We export gold and diamond jewellery on a wholesale basis to international distributors and retailers in Dubai and Hong Kong. Payments for all our export sales are received by us in foreign currency. If we plan to expand our retail operations internationally, we expect that a significant portion of our revenues will continue to be generated in foreign currencies.

Gold for our export operations is purchased by our manufacturing facilities in the Noida SEZ, directly from international bullion suppliers based in London and paid for in U.S. Dollars. In addition, our larger diamonds are also imported from locations such as Hong Kong and Dubai, which are paid for in foreign currencies, primarily U.S. Dollars. Additionally, some of our existing gold loan agreements require us to link the repayment amounts to foreign currency exchange rates.

The exchange rate between the Rupee and the U.S. Dollar has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. Depreciation of the Indian Rupee against foreign currencies may adversely affect our results of operations. Our net gain on foreign currency transaction and translation was ₹ 27.27 million for the six months ended September 30, 2012 primarily due to the increased volatility in the U.S. dollar rates. However, we have entered into certain forward contracts to hedge our foreign currency risk. For further information on forward contracts/ derivative contracts entered into by us with respect to our foreign currency loans and export sales as of September 30, 2012, see our ***"Financial Statements"*** on page 163. There can be no assurance that any such forward contracts or similar hedging mechanisms that we have currently entered into or will enter into in the future will be effective or adequate to cover any losses arising from foreign currency fluctuations. In addition, as of September 30, 2012, foreign currency exposure that was not hedged by derivative instruments or otherwise included in sundry creditors (primarily relating to the gold loan schemes) aggregated US$ 154.14 million.

46. There could be political, economic or other factors that are beyond our control but may have a material adverse impact on our business and results of operations should they materialize.

The following external risks may have a material adverse impact on our business and results of operations should any of them materialize:

- Political instability, a change in the Government or a change in the economic and deregulation policies or a change in taxation policies and regulations could adversely affect economic conditions in India in general and our business in particular;
- A slowdown in economic growth in India could adversely affect our business and results of operations. The growth of our business and our performance is linked to the performance of the overall Indian economy. We are also impacted by consumer spending levels and businesses such as ours would be particularly affected should Indian consumers in our target segment have reduced access to disposable income;
- Civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or other countries could materially and adversely affect the financial markets which could impact our business. Such incidents could impact economic growth or create a perception that investment in Indian companies involves a higher degree in risk which could reduce the value of the Equity Shares;
- Natural disasters in India may disrupt or adversely affect the Indian economy, the health of which our business depends on;
- Any downgrading of India's sovereign rating by international credit rating agencies may negatively impact our business and access to capital. In such event, our ability to grow our business and operate profitably would be severely constrained;
- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and could have an adverse effect on our business, profitability and results of operations; and
- The Indian economy has had sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India could increase our employee costs, decrease the disposable income available to our customers and decrease our operating margins, which could have an adverse effect on our profitability and results of operations.

47. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI ("**MCA**"), through a press note dated January 22, 2010. The MCA through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues including tax-related issues are resolved. The MCA is expected to announce the date of implementation of the converged accounting standards at a later date. Our financial condition, results of operations, cash flows or changes in shareholders‟ equity may appear materially different under IFRS than under Indian GAAP. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding period in the comparative fiscal year/period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

48. If more stringent labor laws or other industry standards in India become applicable to us, our profitability

may be adversely affected.

We are subject to a number of stringent labor laws. India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. If this policy is adopted, our ability to hire employees of our choice may be affected due to restrictions on our pool of potential employees. Our employees may also in the future form unions. If labor laws become more stringent or are more strictly enforced or if our employees unionize, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

49. We cannot guarantee the accuracy of facts and other statistics with respect to India, the Indian economy and the Indian jewellery sector contained in this Red Herring Prospectus.

Facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and the Indian jewellery industry have been derived from various publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While we have taken reasonable care in the reproduction of the information, the same has not been prepared or independently verified by us, the BRLMs, the CBRLM, or any of our or their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or statistics.

50. An active trading market for the Equity Shares may not develop and the price of the Equity Shares may be volatile.

Prior to the Issue, there has been no public market for the Equity Shares. An active public trading market for the Equity Shares may not develop or, if it develops, may not be maintained after the Issue. Our Company, in consultation with the BRLMs and CBRLM, will determine the Issue Price. The Issue Price may be higher than the trading price of the Equity Shares following the Issue. As a result, investors may not be able to sell their Equity Shares at or above the Issue Price or at the time that they would like to sell. The trading price of the Equity Shares after the Issue may be subject to significant fluctuations and be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors and industries in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- the present state of our development;
- the valuation of publicly traded companies that are engaged in business activities similar to ours, economic conditions in India;
- the volatility of the BSE, NSE and securities markets elsewhere in the world;
- the performance of our competitors and the perception in the market about investments in the retail industry;
- adverse media reports on us or the Indian retail industry;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalization, taxation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There can be no assurances that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently. In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

51. There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of the Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Listing approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the Stock Exchanges, we are required to refund all monies collected to investors. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares allotted to you. Further, we are required to deliver the Prospectus to the RoC for registration under the applicable provisions of the Companies Act. We cannot assure you that the RoC will register the Prospectus in a timely manner, or at all.

In addition, pursuant to Indian regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or “demat”, accounts with depository participants in India are expected to be credited only after the date on which the Basis of Allotment is approved by the Designated Stock Exchange. We are required to Allot and list the Equity Shares within 12 Working Days of the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and listing and trading permissions are received from BSE and NSE. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any failure or delay in obtaining the approval may restrict your ability to dispose of your Equity Shares as Allotted.

52. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Following the Issue, we will be subject to a daily “circuit breaker” imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

53. Future issuances or sales of the Equity Shares by any existing shareholders could significantly affect the trading price of the Equity Shares.

The Equity Shares offered in the Issue will be freely tradable without restriction in the public market. The existing shareholders will be entitled to dispose of their Equity Shares following the expiration of a one year “lock-in” period, other than the minimum promoters' contribution of 20% of the Equity Shares of our Promoters that will be locked in for three years. Any future equity issuances by us, including pursuant to our employee stock option plan, or sales of the Equity Shares by our Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

Furthermore, the market price of the Equity Shares could decline if some of our existing shareholders sell a substantial number of Equity Shares subsequent to listing or the perception that such sales or distributions could occur. This, in turn, could make it difficult for you to sell Equity Shares in the future at a time and at a price that you deem appropriate.

54. Economic developments and volatility in securities markets in other countries may cause the price of the

Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investor's reactions to developments in one country may have adverse effects on the market price of securities of companies situated in other countries, including India. For instance, the recent financial crisis in the United States and European countries lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

55. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

Prominent Notes:

- Initial public offering of 45,133,500 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million. The Issue comprises a Net Issue to the public of 44,775,000 Equity Shares and a reservation of 358,500 Equity Shares for subscription by Eligible Employees bidding in the Employee Reservation Portion. The Issue shall constitute 25.20 % of the post Issue paid-up Equity Share capital of our Company and the Net Issue shall constitute 25.00 % of the post Issue paid-up Equity Share capital of our Company. Discount of ₹ [●] to the Issue Price may be offered to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion.

- Investors may contact any of the BRLMs or the CBRLM for any complaint pertaining to the Issue. All grievances pertaining to the Issue and all future communications in connection with queries related to Allotment, credit of Equity Shares, refunds, non-receipt of Allotment Advice and other post-Issue matters should be addressed to the Registrar to the Issue. In case of ASBA Bids submitted to the SCSBs, the Bidders should contact the relevant SCSB. In case of queries related to ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the Bidders should contact the relevant member of the Syndicate. All such communications should quote the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch, as the case may be, where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, the ASBA Account number in which the amount equivalent to the Payment Amount was blocked. All grievances relating to the ASBA process may also be copied to the Registrar to the Issue.

- The net worth of our Company as at March 31, 2012 and as at September 30, 2012, as per our restated financial statements included in this Red Herring Prospectus was ₹ 5,557.15 million and ₹ 6,977.00 million, respectively. Further, the net worth of our Company as at March 31, 2012 and as at September 30, 2012, as per our restated consolidated financial statements included in this Red Herring Prospectus was ₹ 5,553.54 million and ₹ 6,977.00 million, respectively. For more information, see "***Financial Statements***" on page 163.

- The net asset value per Equity Share as at March 31, 2012 and as at September 30, 2012, as per our restated financial statements included in this Red Herring Prospectus was ₹ 41.48 and ₹ 52.08, respectively. Further, the net asset value per Equity Share as at March 31, 2012 and as at September 30, 2012, as per our restated consolidated financial statements included in this Red Herring Prospectus was ₹ 41.45 and ₹ 52.08, respectively.

- The average cost of acquisition per Equity Share by our Promoters is:

Name of Promoter	Number of Equity Shares held	Average cost of acquisition (In ₹)
Mr. Padam Chand Gupta	50,371,800	3.46
Mr. Balram Garg	66,002,700	2.86
Total	**116,374,500**	

As certified by our Auditors by their certificate dated November 3, 2012.

- For details of transactions by our Company with our Group Entities during the last financial year including the nature and cumulative value of the transactions, see "***Financial Statements – Annexure XXX – Statement of Related Parties Transactions, as Restated***" on page 218.

- There has been no financing arrangement whereby the Promoter Group, our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company other than in the ordinary course of the business of the financing entity during the six months period preceding the date of the Draft Red Herring Prospectus.

- None of our Group Entities have any business or other interest in our Company, except as stated in "***Financial Statements - Annexure XXX - Statement of Related Parties Transactions, as Restated***" on page 218 and "***Our Promoters and Group Entities***" on page 155, and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.

- The name of our Company was changed from "P Chand Jewellers Private Limited' to 'PC Jewellers Private Limited' and a fresh certificate of incorporation was issued on October 16, 2007. The name of our Company was further changed from 'PC Jewellers Private Limited' to 'PC Jeweller Private Limited' and a fresh certificate of incorporation was issued on December 9, 2009. Further, pursuant to a resolution passed by our shareholders on July 5, 2011, our Company was converted into a public limited company, following which our name was changed to 'PC Jeweller Limited', and a fresh certificate of incorporation was issued on August 2, 2011. Pursuant to the changes in the name of our Company, no changes were made in the objects clause of the Memorandum of Association. For more information on changes in the Memorandum of Association, see "***History and Certain Corporate Matters***" on page 139.

SECTION III - INTRODUCTION

SUMMARY OF INDUSTRY

The Global Economy and the Indian Economy

The global economy is projected to grow at a lower rate of 3.3% in calendar year 2012, in comparison with the growth rate of 3.8% in calendar year 2011. In both the calendar years 2012 and 2013, growth in emerging and developing economies is expected to remain sluggish at 5.3% and 5.6%, respectively, from 6.2% in the calendar year 2011. India's GDP at constant prices in the calendar year 2012 is estimated to reach ₹ 58,003.97 billion showing a growth rate of 4.9% compared to the calendar year 2011. Further, India's GDP at constant prices is estimated to reach ₹ 74,611.10 billion by the calendar year 2016. (*Source: International Monetary Fund, World Economic Outlook Database, October 2012 Update)*

Indian Gems and Jewellery Industry

History

The Indian gems and jewellery industry can be classified into various segments: cut and polished diamonds, gemstones, gold and diamond jewellery, pearl and synthetic stones and others. However, the two major industry segments in India are gold and diamond jewellery. India also dominates the diamond processing trade with 11 out of 12 diamonds being cut and polished in India. India is the largest consumer of gold in the world. The industry accounted for approximately 14.1% of India's export revenue in fiscal 2012 and provides employment to approximately 3.5 million people directly and indirectly. (*Source: CARE Report*)

The Indian gems and jewellery industry is one of the most competitive markets due to the low cost of production and highly skilled labour internationally. According to the CARE Report, the Indian gems and jewellery export industry, has the potential to grow from the US$42.83 billion in fiscal 2012 to US$47 - 48 billion by fiscal 2014 while the domestic gems and jewellery industry has the potential to grow from an estimated US$45.3 billion (₹2,165.9 billion) (of which gold jewellery (including recycled gold) constitutes around US$ 36.0-38.0 billion (₹1,721-1,817 billion), (i.e. approximately 80%-85%) while the remaining constitutes diamond and others) in fiscal 2012 to US$60 billion (₹ 3,000 billion) (of which gold jewellery will constitute around 75%-80% while the remaining will be diamond and others) by fiscal 2014 at a CAGR of 14% -15%, in particular the organized sector is expected to increase by over 30% during the same period.

Exports

As one of India's leading foreign exchange sectors, the performance of the Indian gems and jewellery industry is critical as it contributed approximately 14.1% of India's total exports earnings in fiscal 2012. In fiscal 2012, the Indian gems and jewellery exports marginally declined by 0.72%, in USD terms, to US$42.83 billion (₹2,048.24 billion) due to a 17.42% decrease in the exports of cut and polished diamonds in fiscal 2012 on account of the reduced demand from western countries, such as United States and Europe. In fiscal 2012, the Indian gems and jewellery exports witnessed a year-on-year growth of 6.94% (in ₹ terms), particularly due to a year-on-year 28.18% increase in the exports of gold jewellery (in US$ terms). The CARE Research expects the total gems and jewellery exports to grow at a rate of 2%-3% during fiscal 2013 to US$44 billion and at a moderate rate of 8%-9% to reach US$47- 48 billion by fiscal 2014. The exports for the cut and polished diamonds are expected to decline by 25%-30% in fiscal 2013 to US$17-18 billion on account of the reduced global demand. However, the gold jewellery exports are expected to grow by 35% -40% to reach US$23-25 billion and the CARE Research believes that domestic demand may be impacted given the on-going debt crisis in the United States and European Union, economic uncertainty, rising unemployment, record high gold prices all of which will limit demand for gems and jewellery products. *(Source: CARE Report)*

Domestic Demand

According to CARE Report, the total domestic jewellery industry size is estimated to be around US$45.3 billion (₹2,165.9 billion) in fiscal 2012 and the gold sales are estimated to be about 80%-85% share of the domestic jewellery market. By fiscal 2014, CARE Research expects the annual value of India’s domestic gems and jewellery industry to rise to US$60 billion (₹ 3,000 billion). Currently the domestic gems and jewellery market is fragmented across the value chain. There are approximately 450,000 unorganised players across the gems and jewellery sector who operate on small margins. The organized market accounts for approximately 5%-6% of the jewellery retail market, if the national level players in the organized market are considered whereas the organized market accounts for approximately 16%-18% of the jewellery retail market, in the event the regional players are also included. The CARE Research expects that the organized jewellery retail market in India is expected to grow more than 30% in the next couple of years given the changing lifestyle and urbanization, inclination towards online buying backed by strategic marketing from the diamond companies. (*Source: CARE Report*)

Domestic Jewellery Manufacturing

India has well-established capabilities in manufacturing hand-made jewellery in traditional as well as modern designs. India has progressed in using the latest technologies in diamond-processing and jewellery-making.

Import of Raw Materials

With negligible domestic production of gold, diamonds, and other gemstones, India has to import almost its entire requirements of raw materials. India's import of gems and jewellery marginally increased by 1.72% from US$ 41.93 billion in fiscal 2011 to US$42.65 billion in fiscal 2012. India's import of gems and jewellery grew at a CAGR of 22.23% between fiscal 2002 and fiscal 2012 and 23.73% between fiscal 2008 and fiscal 2012. The imports of rough diamonds witnessed a year-on-year growth of 26.84% while the gold bars increased by 33.36% on a year-on-year basis. However, the imports of cut and polished diamonds decreased by 30.81% on a year-on-year basis (in US$ terms) primarily due to the imposition of 2% custom duty with effect from January 17, 2012. Earlier, no custom duty was levied on the imports of the cut and polished diamonds. On an average, India consumes approximately 700-750 tonnes of gold annually, majority of which is imported. India's total consumption of gold is approximately 21% of the global gold consumption, thus making India the largest consumer of gold in the world. The major gold supplying countries to India include Switzerland, South Africa, Australia, and the UAE. (*Source: CARE Report)*

Key Demand Drivers

India's jewellery consumption is sensitive to the following factors:

- Economic growth - In fiscal 2010, the percentage of the Indian population in the medium income and high income brackets is expected to increase to 12.8% and 1.7%, respectively, as compared to 5.7% and 0.4%, respectively, in fiscal 2002. Furthermore, the number of High Net Worth individuals ("**HNIs**") in India has increased significantly in recent years. India had a population of 125,000 HNIs in calendar year 2011 as per the World Wealth Report 2012. These trends result in an increased amount of disposable income being available for discretionary luxury purchases such as jewellery.

- People between the ages of 15 and 64 are regarded as most likely to have disposable income and to be willing to spend it on consumer goods such as jewellery. The proportion of India's population in this age group has increased from 56.9% in calendar year 2001 to a projected 65.2% in fiscal 2011.

- Jewellery retailers have increased their expenditure on advertising and marketing activities such as celebrity endorsements, event sponsorship, television advertising etc.

- The jewellery retail brands operating in India have expanded their reach to tier-II & III cities during the last three to four years wherein consumers are willing to spend more than their counterparts in tier-I cities, owing to the low cost of living while still being able to maintain a higher standard of living.

(Source: CARE Report)

Jewellery Retailing

The Indian jewellery retail industry is highly unorganized with the organized market accounting for approximately 5%-6% of the jewellery retail market, if the national level players in the organized market are considered whereas the organized market accounts for approximately 16%-18% of the jewellery retail market, in the event the regional players are also included. There are approximately 450,000 traditional neighbourhood jewellers across the country, indicating a high level of fragmentation. There are approximately 15,000 players across India in the gold processing industry, with 450,000 goldsmiths spread across the country.

Organized Jewellery Retailing

Jewellery retailing is not only high margin and lucrative but is also largely untapped in India. In the past few years, many domestic companies have opened gems and jewellery speciality stores in India to meet the changing taste of local populace and have also opened stores abroad to serve Indian diaspora in the countries where demand for traditional Indian crafted jewellery is high.*(Source: CARE Report)*

Challenges to Jewellery Retail Growth

According to the CARE Report, some of the key challenges facing the jewellery retailing industry, are: Limited availability of high-end real estate; Adapting to changing consumer preferences including regional preferences; Increase in diamond prices by approximately 35-40% on average between January 2011 and June 2011 primarily due to a supply shortfall; Increase in competition from China which is expected to become the biggest manufacturer of jewellery in a few years; Synthetic diamonds and other artificial jewellery sales may reduce the popularity of real diamonds amongst consumers as diamond prices continue to rise and consumers become more price conscious; An increase in the popularity of competing luxury products could reduce jewellery sales; and Long gestation period for organized jewellery retailing for building its brand and trust among consumers.

Key Policy Measures for the Gems and Jewellery Industry

Foreign Trade Policy 2009-2014

The government has announced a series of measures to help the gems and jewellery exports in the Foreign Trade Policy, 2009-14

- It has been decided to neutralize duty incidence on gold jewellery exports, to allow duty drawback on such exports.

- In an endeavour to make India an international diamond trading hub, it has been planned to establish several “Diamond Bourses” across many cities.

- A new facility to allow the import of cut and polished diamonds on a consignment basis for the purpose of grading and certification has been introduced.

- To promote the export of gems and jewellery products, the value limits of personal carriage have been increased from US$2 million to US$5 million in case of participation in overseas exhibitions. The limit in case of personal carriage, as samples, for export promotion tours, has been increased from US$ 0.1 million to US$1 million.

(Source: CARE Report)

Recent developments - Certain policy measures for gems and jewellery industry: 2012-13

- Increase in custom duty on gold bars (other than tola bars), from 2% to 4% of the value of gold being imported (Notification No.12/2012 - Customs);

- Custom duty on polished coloured gems has been introduced at 2% and on platinum it has been increased to 4% from 2% of the value of platinum being imported (Notification No.12/2012 - Customs);

- Custom duty on silver has been increased to 6% of the value of silver being imported from its earlier level of ₹ 1,500 per kilogram;

- Increase in excise duty on gold bars, other than tola bars starting from the stage of gold ore or concentrate from 1.5% to 3% (Notification No.12/2012 - Central Excise);

- Increase in excise duty of gold bars and coins of purity not below 99.5% to 3% from 2% (Notification No.12/2012 - Central Excise);

- Full exemption of excise duty for gold coins of purity 99.5% and above and silver coins of purity 99.9% and above (Notification No.12/2012 - Central Excise); and

- An additional tax of 1% is to be collected at source from the buyer in case of any cash purchase of bullion (excluding coins or other articles weighing ten grams or less) and jewellery above ₹ 200,000 and ₹ 500,000, respectively, as stipulated in the Income Tax Act, 1961.

CARE Research expects that the increase in the above excise and custom duties will be passed on to the consumers thereby increasing the prices of such precious metals to the end consumers. *(Source: CARE Report)*

SUMMARY OF BUSINESS

Overview

We are one of the leading jewellery companies in India in the organized jewellery retail sector, according to the CARE Report. Our operations include the manufacture, retail and export of jewellery. We believe that we have developed a strong brand in our markets in north and central India. We offer a wide range of products including gold jewellery, diamond jewellery and other jewellery including silver articles, with a focus on diamond jewellery and jewellery for weddings. In fiscal 2012, domestic gold jewellery, diamond jewellery and other jewellery contributed 72.5%, 26.7% and 0.8%, respectively, of our revenue from domestic sales. In the six months ended September 30, 2012, domestic gold jewellery, diamond jewellery and other jewellery contributed 67.1%, 32.6% and 0.3%, respectively, of our revenue from domestic sales.

As of September 30, 2012, we had 30 showrooms under the "*PC Jeweller*" brand located across 23 cities in north and central India with an aggregate area of approximately 164,572 sq.ft. All of these showrooms are operated and managed by us, with the exception of our Chandigarh showroom, which is operated and managed by a third party. Of these showrooms, 27 showrooms are large-format (with an area of 3,000 sq.ft. or more), including 11 showrooms which have an area of more than 5,000 sq. ft., of which four showrooms are more than 10,000 sq.ft.. We plan to further expand our showroom network across India, including in southern and western parts of India. We intend to open an additional 20 showrooms by fiscal 2014, all of which are proposed to be financed through the Net Proceeds.

In addition to the sale of jewellery through our showrooms, we also sell gold and diamond jewellery through online sales on our website. We also export gold and diamond jewellery on a wholesale basis to international distributors in Dubai and Hong Kong. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our export sales represented 33.5%, 34.4%, 33.0% and 32.6%, respectively, of our revenue from operations in these periods.

We have established our own jewellery manufacturing facilities. We have two jewellery manufacturing facilities in Selaqui, Dehradun, Uttarakhand that cater to our sales in India. We have also set-up two jewellery manufacturing facilities at the Noida SEZ, Uttar Pradesh, that cater to our export sales. In addition, in November, 2011, we commenced manufacturing operations at an additional 34,000 sq.ft. jewellery manufacturing facility in Noida, Uttar Pradesh, to further increase our manufacturing capabilities. In fiscal 2012 and for the six months ended September 30, 2012, 4,831.96 kg and 2,725.47 kg, of gold, respectively, was processed at our own manufacturing facilities.

Our business has grown rapidly in recent years. We expanded our retail network from one showroom as of April 13, 2005 to 30 showrooms as of September 30, 2012. The following table sets forth certain information on our results of operations for the periods stated:

Particulars	**Fiscal**			**Six Months ended September 30, 2012**	**CAGR***
	2010	**2011**	**2012**		
				(in ₹ million)	**(%)**
Revenue from Operations	9,848.47	19,770.55	30,419.27	18,557.00	55.6
Domestic sales	6,548.98	12,978.16	20,394.90	12,504.78	56.3
Export sales	3,299.49	6,792.39	10,024.37	6,052.22	54.2
Net profit, as restated	783.97	1,476.84	2,300.46	1,419.85	53.6
EBITDA	984.69	1,988.99	3,312.87	2,335.83	68.0

** CAGR means calculating a year-over-year growth rate over a specified period of time and it has been computed by annualizing the financial information for the six months ended September 30, 2012*

Competitive Strengths

We believe our principal competitive strengths include the following:

Established brand

We believe that we have developed "*PC Jeweller*" as a strong brand in our markets in north and central India as a jewellery retailer with a wide range of jewellery products, particularly diamond jewellery and jewellery for weddings. We believe that our focus on quality, design range, customer oriented policies and loyalty programs, together with our targeted marketing efforts, have enabled us to develop strong brand recognition and customer loyalty. We have made significant investments in nationwide advertising campaigns and event sponsorships to promote our brand. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our advertisement expenditure was ₹61.19 million, ₹122.56 million, ₹ 264.06 million, and ₹92.76 million, respectively. We have also developed an in-house marketing team that conducts customer surveys, and identifies customer preferences and studies trends.

Network of strategically located large-format showrooms

We focus on jewellery retail and have rapidly expanded our retail network of strategically located showrooms in recent years. As of September 30, 2012, we had 30 showrooms under the "*PC Jeweller*" brand located across 23 cities in north and central India with an aggregate area of approximately 164,572 sq.ft. Of these 30 showrooms, 27 are large-format (with an area of 3,000 sq.ft. or more), including our showrooms at Karol Bagh and South Extension in New Delhi, and Gurgaon and Panchkula in Haryana which have an area greater than 10,000 sq.ft. each. We follow a detailed showroom selection methodology. We believe that our large-format showrooms, located typically in "high street" areas with high visibility and customer traffic, provide our customers with a luxury retail experience, which reinforces our positioning as a trusted jewellery retailer. We believe that our large-format showrooms also enable us to offer a wide range of jewellery products attracting a diverse customer base, ensure effective inventory management and provide benefits of scale. In addition to sale of jewellery through our showrooms, we also provide an option to buy jewellery online through our website.

Wide product range with an increasing focus on diamond jewellery

Our wide range of product offerings caters to diverse customer segments, from the value market to high-end customized jewellery. Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. We believe that the gold, diamond and other jewellery inventory in each individual showroom reflects regional customer preferences and designs. We believe that our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality and finish of our products are our key strengths. In addition, our access to a wide range of independent manufacturers from various parts of India allows us to offer a diverse product range.

We believe that our focus on diamond jewellery sales results in higher profit margins. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, domestic diamond jewellery sales constituted 17.9%, 22.9%, 26.7%, and 32.6%, respectively, of our domestic sales and 11.9%, 15.0%, 17.9%, and 21.9%, respectively, of our revenue from operations in these periods and we expect the relative proportion of domestic diamond jewellery sales of our domestic sales to increase in the future.

Significant manufacturing capabilities

A certain portion of our jewellery is designed and manufactured at our own manufacturing facilities. In fiscal 2012 and for the six months ended September 30, 2012, 4,831.96 kg and 2,725.47 kg, of gold, respectively, was processed at our own manufacturing facilities. We believe that this enables us to control costs and increase our profit margins and gives us a competitive advantage over some of our competitors who do not have their own manufacturing facilities. We have established two jewellery manufacturing facilities at Selaqui, Dehradun, Uttarakhand to cater to our sales in India. We have also set up two jewellery manufacturing facilities at the Noida SEZ, Uttar Pradesh, for our export sales. In addition, in November, 2011, we commenced manufacturing operations at an additional 34,000 sq.ft. jewellery manufacturing facility in Noida, Uttar Pradesh, to further increase our manufacturing capabilities. As of September 30, 2012, we employed approximately 301 employees across our manufacturing facilities who focus on designing and manufacturing jewellery products. We believe that our large skilled workforce with knowledge and expertise in jewellery-making is a key competitive strength that has enabled us to establish and maintain our reputation and brand.

Vertically integrated operations and effective operational control processes

Our operations integrate sourcing, manufacturing, retail and export sales on a wholesale basis, which provide us with several competitive advantages, including the ability to:

- capture margins across the jewellery value chain;
- adjust our manufacturing and product range to address shifts in consumer preferences and changes in demand;
- offer customized designs to our customers;
- exercise greater control over the quality of our raw materials as well as our manufactured products;
- implement efficient and flexible inventory management due to our large showroom network which facilitates a rotation of stock every three to six months thereby helping to reduce our finished inventory holding period;

- ensure minimal work-in-process time by ensuring a smooth supply chain; and
- gather and maintain market intelligence on manufacturing costs that can be used in negotiations with third party vendors as well as on design trends.

We believe that our effective operational management has enabled us to successfully implement and support our past expansions. Our procurement policy, inventory management (including tagging each item sold in our showroom and quality control) and sales processes result in operational efficiencies which enable us to implement our long-term objectives through detailed corporate planning. Our centralized operations enable us to effectively monitor and address operational processes that link our supply chain, manufacturing facilities and showrooms.

We follow a procurement policy aimed at de-risking the business from gold price fluctuations by sourcing gold for our manufacturing operations under the gold loan schemes from canalizing agencies and international bullion suppliers. Under such arrangements, the price of gold purchased is not fixed on procurement, but rather within the applicable credit period, on the basis of prevailing gold rates on sale to customers, thereby minimizing any risk to us relating to gold price fluctuations between the time of our procuring the raw material and selling the finished product to our customers. In our domestic operations we are typically entitled to fix such prices within a period of 90 to 180 days from the date of procurement. Similarly, in our export operations we are generally entitled to fix such prices within a period of up to 270 days from the date of procurement.

Experience of our Promoters and senior management team

Our Promoters have been involved in the jewellery business in India for more than two decades and have extensive experience in the industry. Their strong relationships with our suppliers, export customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been instrumental in sustaining our business operations. Our management team also includes professionals with extensive experience in the gems and jewellery industry as well as finance and marketing.

Business Strategies

The key elements of our business strategy are as follows:

Further expand our retail network

According to the CARE Report, the Indian jewellery retail industry is highly unorganized with the organized sector accounting for approximately 5%-6% of the jewellery retail market, if the national level players in the organized market are considered, and approximately 16%-18% of the jewellery retail market, in the event the regional players are also included. We believe that the relatively low penetration of the organized sector, particularly in the Metro, Tier I and Tier II cities and towns in India, provides us with significant growth opportunities. We intend to further expand our retail network across various cities in north and central India and in certain key markets in the rest of India. As part of this strategy, we intend to open 20 additional showrooms by fiscal 2014, all of which are proposed to be financed through the Net Proceeds. We have conducted analysis of the markets in the proposed locations, which are in Tier II and Tier III cities in India, including an evaluation of feasibility factors such as potential sales, sales mix, potential for growth of various jewellery products, the market share of potential competitors and availability of sales and other personnel. All of the proposed showrooms are intended to be large-format showrooms. We are also in the process of exploring and evaluating the possibility of setting up international retail operations. Our retail network expansion plans are aimed at not only increasing sales volumes, but also enabling us to consolidate our position as a leading Indian jewellery retailer in the organized jewellery retail sector, by increasing our brand visibility, geographical presence and market share.

Continue to increase our focus on diamond and other higher margin jewellery sales

We continue to increase our focus on diamond jewellery and other precious stone jewellery, as these typically involve higher profit margins than other types of jewellery, according to the CARE Report. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, domestic diamond jewellery sales constituted 17.9%, 22.9%, 26.7%, and 32.6%, respectively, of our domestic sales and 11.9%, 15.0%, 17.9%, and 21.9%, respectively, of our revenue from operations in these periods. We believe that consumer demand for diamond jewellery in India has increased at relatively higher rates compared to the demand for gold jewellery. We intend to further increase diamond jewellery sales as a proportion of our overall sales. We intend to increase diamond jewellery sales through various initiatives including the development of unique products with competitive pricing, increasing our range of diamond jewellery to cater to various customer segments and advertising and promotional campaigns focused on diamond jewellery. In addition, consistent with our focus on diamond jewellery, our showroom set up ensures increased visibility for our diamond jewellery, including the display of diamond jewellery on the ground floor in our multi-floor showrooms.

Introduce our own branded jewellery lines

We believe that the branded jewellery segment of the jewellery industry in India provides significant growth opportunities. According to the CARE Report, India's growing middle class, increasing per capita income, the increasing number of working women and the increase in discretionary spending in India has in recent years led to an increase in demand for gold and diamond jewellery products. We believe customers have also become increasingly conscious of product quality. We continue to explore and evaluate the possibility of introducing our own branded jewellery lines targeted at the luxury market, and focused on high-end gold, diamond and precious stone jewellery.

Increase sales through innovative customer-oriented marketing initiatives

We continue to invest in nationwide, regional and local store-level advertising campaigns, marketing initiatives and event sponsorships to increase our visibility and customer traffic at our showrooms. We continue to focus on jewellery fairs, trade shows and other industry forums to introduce and market our products and new designs. For example, we were one of the associate sponsors of the grand finale of India International Jewellery Week, the Filmfare Awards in 2010, 2011 and 2012, Delhi Couture Week 2012 and title sponsors for the Mijwan Welfare Society charity event held in September 2012.

We continue to evaluate our showroom network to optimize customer foot-fall, and focus on converting potential customer traffic into sales by soliciting and analyzing customer feedback to establish a continuing relationship with customers. We have implemented several customer-oriented marketing schemes and policies, for example, our "Jewels for Less" scheme, which enables our customers to make advance payments in monthly installments during the scheme period to purchase, at the end of such period, jewellery of a value higher than the aggregate advance amounts paid. As of September 30, 2012 we had 50,582 subscribers enrolled under this scheme and had a deposit of ₹ 696.97 million from these members. In addition, we have recently commenced the "Swarn Manjusha" scheme, which also enables our customers to make advance payments in monthly installments during the scheme period and purchase jewellery at the prescribed discounted rates at the end of the completion of the relevant periods and also enables the subscriber to fix the rate of the gold (for 24 carat quality gold) as on the date of payment under the scheme. For further information, see "- ***Marketing and Advertising Initiatives***" on page 131. We extend a full refund policy for jewellery items returned within seven days of purchase (30 days if purchased online), as well as a free lifetime repair service. We also offer a buy-back policy for our diamond jewellery at a minimum of 90.0% of the invoice price, excluding applicable taxes, and in the case of gold jewellery, at the value of gold in such jewellery at then prevailing market rates, excluding applicable taxes. We encourage customer loyalty by organizing social events at our showrooms. We also continue to provide effective training for our sales personnel in sales techniques and product knowledge. We believe that these various measures contribute to enhancing our brand and customer trust and loyalty and result in increased sales.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial statements derived from our restated financial statements as of and for fiscal 2008, 2009, 2010, 2011 and 2012 and as of and for six months period ended September 30, 2012 and our restated consolidated financial statements as of and for fiscal 2012 and as of and for six months period ended September 30, 2012. These financial statements have been prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations and are presented in "***Financial Statements***" on page 163. The summary financial statements presented below should be read in conjunction with our restated financial statements, the notes and annexures thereto and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 277.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Amounts in ₹ Millions)

Particulars	Annexure	As at September 30,	As at March 31,				
		2012	2012	2011	2010	2009	2008
A. Non current assets							
Fixed assets							
Tangible assets		638.25	565.74	316.58	207.31	88.46	66.33
Intangible assets under development		9.79	9.79	8.49	7.84	7.25	-
Deferred tax assets (net)	**XII**	13.70	10.29	5.43	7.86	40.79	10.12
Long term loans and advances	**XIII**	696.51	631.59	222.53	80.20	13.76	2.46
Other non current asset	**XIV**	86.99	80.51	41.83	12.66	0.60	1.19
Total non current assets		1,445.24	1,297.92	594.86	315.87	150.86	80.10
B. Current assets							
Current investment	**XV**	-	0.10	-	-	-	-
Inventories	**XVI**	13,962.74	11,724.10	5,494.92	3,781.80	2,042.87	1,337.59
Trade receivable	**XVII**	7,025.56	6,866.45	4,248.07	2,494.72	1,625.59	237.29
Cash and bank balances	**XVIII**	792.73	112.98	190.58	407.74	241.35	74.12
Short term loans and advances	**XIII**	910.06	324.58	155.44	57.13	45.32	8.50
Other current assets	**XIX**	38.26	22.26	104.68	72.04	12.51	4.59
Total current assets		22,729.35	19,050.47	10,193.69	6,813.43	3,967.64	1,662.09
C. Non current liabilities							
Long term borrowings	**V**	17.25	21.91	13.89	20.69	7.39	7.51
Long term provisions	**VI**	8.61	6.09	2.94	2.51	1.43	0.82
Total non current liabilities		25.86	28.00	16.83	23.20	8.82	8.33
D. Current liabilities							
Short term borrowings	**VII**	3,756.28	5,751.16	1,376.58	791.66	2,156.31	537.83
Trade payables	**VIII**	12,196.44	7,889.31	5,893.00	4,374.38	1,139.91	769.43
Other current liabilities	**IX**	1,016.25	867.88	197.11	379.35	264.94	64.22
Short term provisions	**VI**	202.76	254.89	48.34	40.36	2.50	7.17
Total current liabilities		17,171.73	14,763.24	7,515.03	5,585.75	3,563.66	1,378.65
Net Worth(A+B-C-D)		**6,977.00**	**5,557.15**	**3,256.69**	**1,520.35**	**546.02**	**355.21**
Represented by:							
E. Share capital	**X**	1,339.67	1,339.67	446.56	401.56	221.56	221.56
F. Reserves and surplus	**XI**	5,637.33	4,217.48	2,810.13	1,108.29	324.32	133.65
G. Share application money pending allotment		-	-	-	10.50	0.14	-
Net Worth(E+F+G)		**6,977.00**	**5,557.15**	**3,256.69**	**1,520.35**	**546.02**	**355.21**

Note:

The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Amounts in ₹ Millions)

Particulars	Annexure	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
Revenue							
Revenue from operations	**XXI**	18,557.00	30,419.27	19,770.55	9,848.47	6,227.34	3,213.40
Changes in inventories of finished goods and work-in-progress	**XXII**	2,009.40	6,137.24	2,157.77	1,014.47	624.08	531.17
Other income	**XXIII**	76.00	185.56	167.91	181.59	72.42	22.97
Total		**20,642.40**	**36,742.07**	**22,096.23**	**11,044.53**	**6,923.84**	**3,767.54**
Expenses							
Cost of materials consumed	**XXIV**	17,527.64	31,273.55	18,339.48	9,196.78	5,878.91	3,333.71
Purchases of traded goods		3.26	36.82	1,029.65	399.63	205.77	62.79
Employee benefit expenses	**XXV**	162.28	248.97	76.85	44.21	30.38	12.38
Finance costs	**XXVI**	590.71	782.55	496.02	382.09	216.30	90.29
Depreciation and amortisation expense		47.57	65.90	29.71	18.58	11.84	6.53
Other expenses	**XXVII**	530.58	1,684.32	489.10	237.62	241.67	112.72
Prior period items		6.81	-	4.24	-	-	-
Total		**18,868.85**	**34,092.11**	**20,465.05**	**10,278.91**	**6,584.87**	**3,618.42**
Profit before tax		**1,773.55**	**2,649.96**	**1,631.18**	**765.62**	**338.97**	**149.12**
Tax							
Current tax		363.92	534.35	208.28	100.89	27.50	18.32
Less : Minimum Alternate Tax credit entitlement		-	(193.76)	(25.95)	-	-	-
Tax earlier years		-	(0.07)	1.38	0.53	0.54	-
Deferred tax							
- current year		(3.41)	(3.47)	(0.33)	(0.37)	0.14	0.32
- prior period		-	-	(0.85)	-	-	-
Fringe benefit tax		-	-	-	-	0.99	0.80
Profit for the year after tax		**1,413.04**	**2,312.91**	**1,448.65**	**664.57**	**309.80**	**129.68**
Adjustments		**6.81**	**(13.86)**	**31.80**	**152.71**	**(149.94)**	**(18.58)**
(Refer Note 3 of Annexure IV)							
Tax impact of adjustments							
Income-taxes		**-**	1.41	(3.61)	(33.31)	30.81	7.77
(Refer Note 3 of Annexure IV)							
Net impact of adjustments on profit		**6.81**	**(12.45)**	**28.19**	**119.40**	**(119.13)**	**(10.81)**
Net profit as restated		**1,419.85**	**2,300.46**	**1,476.84**	**783.97**	**190.67**	**118.87**

Note:
The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

STATEMENT OF CASH FLOWS, AS RESTATED

(Amounts in ₹ Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax, as restated	1,780.36	2,636.10	1,662.98	918.33	189.03	130.54
Adjustments for:						
Depreciation and amortization	47.57	64.34	29.48	17.18	13.55	7.29
Unrealised foreign exchange (gain)/loss	(160.57)	272.47	(137.67)	(102.76)	(70.68)	(6.33)
Unrealised (gain)/loss on commodity trading in futures, net	-	-	-	(0.10)	2.57	-
(Gain)/loss on sale of fixed assets	(0.04)	1.88	0.36	-	-	0.01
Interest income on fixed deposit	(40.02)	(169.45)	(76.88)	(20.14)	(38.03)	(10.69)
Interest income on loan given to subsidiary	-	(3.63)	-	-	-	-
Interest income on loan given to others	(4.30)	-	-	-	-	-
Interest expense	487.67	650.92	389.04	299.98	170.20	75.74
Profit on disposal of investment	(2.26)					
Bad debts written off	-	-	-	-	1.49	-
Employee benefits	2.77	3.23	0.40	1.20	0.61	0.56
Operating profit before working capital changes	**2,111.18**	**3,455.86**	**1,867.71**	**1,113.69**	**268.74**	**197.12**
Adjustments for:						
Increase in inventories	(2,238.64)	(6,229.18)	(1,713.12)	(1,738.93)	(705.27)	(565.06)
Increase in trade receivable	(258.54)	(2,449.23)	(1,761.14)	(814.25)	(1,301.33)	(119.14)
Increase in loan and advances	(778.54)	(588.29)	(239.57)	(43.01)	(43.38)	(1.29)
Decrease/(increase) in other assets	-	72.09	(9.49)	(62.46)	(0.03)	0.03
Increase in trade payable	4,681.30	1,842.07	1,669.31	3,282.35	352.70	498.18
Increase in other current liabilities	154.22	681.20	76.03	31.46	43.48	9.18
Cash generated from/(used in) operating activities	**3,670.98**	**(3,215.48)**	**(110.27)**	**1,768.85**	**(1,385.09)**	**19.02**
Direct taxes paid	418.26	161.57	183.04	67.97	34.03	15.46
Net cash generated from/(used in) operating activities	**3,252.72**	**(3,377.05)**	**(293.31)**	**1,700.88**	**(1,419.12)**	**3.56**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchases of fixed assets including capital advances and movement in intangible assets under development	(107.46)	(497.50)	(140.88)	(171.86)	(47.67)	(47.36)
Proceeds from sale of fixed assets	1.40	3.26	0.05	-	-	0.84
Investment in a subsidiary	-	(0.10)	-	-	-	-
Loan given to subsidiary	-	(85.76)	-	-	-	-
Proceeds from sale of investments	2.36	-	-	-	-	-
Interest received	28.32	183.44	53.73	23.18	30.14	8.94
Movement in fixed deposits (with maturity more than 3 months)	6.62	17.67	(29.18)	37.95	(49.41)	4.07
Net cash used in investing activities	**(68.76)**	**(378.99)**	**(116.28)**	**(110.73)**	**(66.94)**	**(33.51)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Issue of share capital including security premium	-	-	270.00	180.00	-	40.00
Repayment of long term borrowings	(4.96)	(6.44)	(42.65)	(22.77)	(3.92)	(1.04)
Proceeds from long term borrowings	-	19.06	18.45	38.18	20.00	11.96
Net proceeds from short term borrowings	(1994.87)	4,360.61	579.70	(1,364.66)	1,618.49	107.30

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Share application money, net	-	(6.99)	(261.76)	88.28	138.24	(10.36)
Share issue expenses (to the extent not written off)	(13.10)	(56.34)	-	-	-	-
Interest paid	(491.28)	(631.46)	(371.31)	(292.79)	(169.52)	(75.26)
Net cash (used in)/generated from financing activities	**(2504.21)**	**3,678.44**	**192.43**	**(1,373.76)**	**1,603.29**	**72.60**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**679.75**	**(77.60)**	**(217.16)**	**216.39**	**117.23**	**42.65**
Opening cash and cash equivalents	112.98	190.58	407.74	191.35	74.12	31.47
losing cash and cash equivalents*	792.73	112.98	190.58	407.74	191.35	74.12
	679.75	**(77.60)**	**(217.16)**	**216.39**	**117.23**	**42.65**
*** Reconciliation of cash and cash equivalents**						
Cash in hand	647.19	31.48	105.81	12.97	13.12	3.29
Cheques in hand	8.27	2.55	2.99	0.79	0.01	-
Balance with scheduled banks :						
Current account	137.27	78.95	81.78	393.98	178.22	70.83
Fixed deposit account	17.54	24.17	41.83	12.66	50.60	1.19
	810.27	**137.15**	**232.41**	**420.40**	**241.95**	**75.31**
Less : Fixed deposit not considered as cash equivalents	(17.54)	(24.17)	(41.83)	(12.66)	(50.60)	(1.19)
	792.73	**112.98**	**190.58**	**407.74**	**191.35**	**74.12**

Note:
The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Amount in ₹ Millions)

Particulars	Annexure	As at September 30, 2012	As at March 31, 2012
A. Non-current assets			
Goodwill on consolidation		-	0.08
Fixed assets			
Tangible assets		638.25	657.49
Intangible assets under development		9.79	9.79
Deferred tax assets	**XII**	13.70	10.29
Long term loans and advances	**XIII**	696.51	620.70
Other non current asset	**XIV**	86.99	80.56
Total non-current assets		1,445.24	1,378.91
B. Current assets			
Inventories	**XV**	13,962.74	11,724.10
Trade receivable	**XVI**	7,025.56	6,866.45
Cash and bank balances	**XVII**	792.73	114.04
Short term loans and advances	**XIII**	910.06	241.04
Other current assets	**XVIII**	38.26	19.00
Total current assets		22,729.35	18,964.63
C. Non-current liabilities			
Long term borrowings	**V**	17.25	21.91
Long term provisions	**VI**	8.61	6.09
Total non-current liabilities		25.86	28.00
D. Current liabilities			
Short term borrowings	**VII**	3,756.28	5,751.16
Trade payables	**VIII**	12,196.44	7,889.31
Other current liabilities	**IX**	1,016.25	866.64
Short term provisions	**VI**	202.76	254.89
Total current liabilities		17,171.73	14,762.00
Net worth(A+B-C-D)		**6,977.00**	**5,553.54**
Represented by:			
E. Share capital	**X**	1,339.67	1,339.67
F. Reserves and surplus	**XI**	5,637.33	4,213.87
Net worth(E+F)		**6,977.00**	**5,553.54**

Note: The above statement should be read with the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV.

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Amount in ₹ Millions)

Particulars	Annexure	For the period ended September 30, 2012	For the year ended March 31, 2012
Revenue			
Revenue from operations	**XX**	18,557.00	30,419.27
Changes in inventories of finished goods and work-in-progress	**XXI**	2,009.40	6,137.24
Other income	**XXII**	79.71	181.93
Total		**20,646.11**	**36,738.44**
Expenses			
Cost of materials consumed	**XXIII**	17,527.64	31,273.55
Purchases of traded goods		3.26	36.82
Employee benefit expenses	**XXIV**	162.28	248.97
Finance costs	**XXV**	590.73	782.56
Depreciation and amortisation expense		47.85	68.78
Goodwill on consolidation impaired		0.08	-
Other expenses	**XXVI**	530.31	1,681.41
Prior period expenses		6.81	-
Total		**18,868.96**	**34,092.09**
Profit before tax		**1,777.15**	**2,646.35**
Tax expense			
Current tax		363.92	534.35
Less : Minimum Alternate Tax credit entitlement		-	(193.76)
Tax earlier years		-	(0.07)
Deferred tax		(3.41)	(3.47)
Profit for the year after tax		**1,416.64**	**2,309.30**
Adjustments		**6.81**	**(13.86)**
(Refer Note 5 of Annexure IV)			
Tax impact of adjustments			
Income-taxes		-	1.41
(Refer Note 5 of Annexure IV)			
Net impact of adjustments on profit		**6.81**	**(12.45)**
Net profit as restated		**1,423.45**	**2,296.85**

Note:
The above statement should be read with the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV.

CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

(Amount in ₹ Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax, as restated	**1,783.96**	**2,632.49**
Adjustments for:		
Depreciation and amortization	47.85	67.22
Goodwill on consolidation impaired	0.08	-
Unrealised foreign exchange (gain)/loss	(160.57)	272.47
Loss on sale of fixed assets	-	1.88
Interest income on fixed deposit	(40.02)	(169.45)
Interest income on loan given to others	(3.97)	-
Profit on disposal of investment in subsidiary	(6.30)	-
Gain on disposal of fixed assets	(0.04)	-
Interest expense	485.72	650.92
Employee benefits	2.77	3.23
Operating profit before working capital changes	**2,109.48**	**3,458.76**
Adjustments for:		
Increase in inventories	(2,238.63)	(6,229.18)
Increase in trade receivable	(258.54)	(2,449.23)
Increase in loan and advances	(861.36)	(571.23)
(Increase)/decrease in other assets	(1.56)	130.48
Increase in trade payable	4,681.30	1,842.07
Increase in other current liabilities	165.66	628.94
Cash generated from/(used in) operating activities	**3,596.35**	**(3,189.39)**
Direct taxes paid (net)	411.25	161.57
Net cash generated from/(used in) operating activities	**3,185.10**	**(3,350.96)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets including capital advances and movement in intangible assets under development	(121.43)	(500.24)
Proceeds from sale of fixed assets	1.40	3.26
Proceeds from disposal of subsidiary, net	0.69	-
Investment in a subsidiary	-	(0.10)
Loan given to subsidiary	-	(3.92)
Interest received	24.73	183.08
Movement in fixed deposits	6.67	17.67
Net cash used in investing activities	**(87.94)**	**(300.25)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(4.95)	(48.90)
Proceeds from long term borrowings	-	19.06
Net Proceeds from short term borrowings	(1,909.11)	4,307.83
Share application money, net	-	(15.49)
Share issue expenses (to the extent not written off)	(13.10)	(56.34)
Interest paid	(491.30)	(632.06)
Net cash (used in)/generated from financing activities	**(2,418.46)**	**3,574.10**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**678.70**	**(77.11)**
Cash acquired on acquisition of subsidiary	**-**	0.56

Particulars	As at September 30, 2012	As at March 31, 2012
Opening cash and cash equivalents	**114.03**	190.58
Closing cash and cash equivalents*	**792.73**	114.03
	678.70	**(77.11)**
*** Reconciliation of cash and cash equivalents**		
Cash in hand	647.19	31.60
Cheques in hand	8.27	2.55
Balance with scheduled banks in :		
Current account	137.27	79.89
Fixed deposit account	17.54	24.22
	810.27	**138.25**
Less : Fixed deposit not considered as cash equivalents	17.54	24.22
	792.73	**114.03**

Note:
The above statement should be read with the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV.

THE ISSUE

Issue (1)	45,133,500 Equity Shares
Of which	
Employee Reservation Portion(3)(4)	358,500 Equity Shares
Therefore	
Net Issue to the Public	44,775,000 Equity Shares
Of which	
A) QIB Portion (2) (4)	22,387,500 Equity Shares
Of which	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion(4)	Not less than 6,716,250 Equity Shares
C) Retail Portion(3)(4)	Not less than 15,671,250 Equity Shares
Equity Shares outstanding prior to the Issue	133,966,500 Equity Shares
Equity Shares outstanding after the Issue	179,100,000 Equity Shares
Use of Issue Proceeds	See "***Objects of the Issue***" on page 82

Allocation to all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis. For details, see "***Issue Procedure – Basis of Allotment***" on page 387.

Notes:

1. *The Issue has been authorized by the Board of Directors pursuant to board resolutions dated August 19, 2011 and August 28, 2012 and by the shareholders of our Company pursuant to special resolutions dated September 16, 2011 and September 25, 2012 passed at the annual general meetings of shareholders under Section 81(1A) of the Companies Act.*

2. *Our Company, in consultation with the BRLMs and the CBRLM, may allocate up to 30% of the QIB Portion, consisting of 6,716,250 Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. In case of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion. For more information see "**Issue Procedure**" on page 355.*

3. *The Retail Discount and Employee Discount, if any, will be offered to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, respectively, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Payment Amount does not exceed ₹ 200,000. Please refer to the "**Issue Procedure - Grounds for Technical Rejections**" on page 380, for information on rejection of Bids.*

   *Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion should note that while filling the "SCSB/Payment Details" block in the Bid-cum-Application Form, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must mention the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable. Please refer to the "**Issue Procedure**" on page 355, for further information including rejection of Bids.*

4. *Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.*

For details of the terms of the Issue, see "***Terms of the Issue***" on page 352.

GENERAL INFORMATION

Our Company was incorporated on April 13, 2005 in New Delhi under the Companies Act as a private limited company under the name 'P Chand Jewellers Private Limited' with the RoC. Pursuant to a resolution passed by our shareholders in their meeting dated September 15, 2007, the name of our Company was changed to 'PC Jewellers Private Limited', and a fresh certificate of incorporation was issued on October 16, 2007. Further, pursuant to a resolution passed by our shareholders in their meeting dated November 25, 2009, the name of our Company was changed to 'PC Jeweller Private Limited', and a fresh certificate of incorporation was issued on December 9, 2009. Pursuant to a resolution passed by our shareholders on July 5, 2011, our Company was converted into a public limited company, following which our name was changed to 'PC Jeweller Limited', and a fresh certificate of incorporation was issued on August 2, 2011. For further details of the change in our name, see "***History and Certain Corporate Matters***" on page 139.

Registered Office of our Company

24/2708, Bank Street
Karol Bagh
New Delhi 110 005
India
Tel: (+91 11) 4710 4810
Fax: (+91 11) 2872 0811
E-mail: investors@pcjewellers.com
Website: www.pcjeweller.com

Corporate Office of our Company

C-54, Preet Vihar
New Delhi 110 092
India
Tel: (+91 11) 4971 4971
Fax: (+91 11) 4971 4972

Set forth below are the details of the Registration Number and Corporate Identity Number of our Company:

Details	Registration/Identification number
Registration Number	134929
Corporate Identity Number	U36911DL2005PLC134929

Registrar of Companies

Our Company is registered with the Registrar of Companies, National Capital Territory of Delhi and Haryana, which is situated at the following address:

Registrar of Companies, National Capital Territory of Delhi and Haryana

4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India
Tel: (+91 11) 2623 5704
Fax: (+91 11) 2623 5702

Board of Directors

Set forth below are the details in respect of the Board of Directors of our Company as on the date of the filing of this Red Herring Prospectus:

Name, Designation and DIN	Age (years)	Address
Mr. Padam Chand Gupta	58	1C, Court Road, Civil Lines, New Delhi 110 054, India

Name, Designation and DIN	Age (years)	Address
Designation: Chairman (Non-Executive Director) **DIN**: 00032794		
Mr. Balram Garg **Designation**: Managing Director (Executive Director) **DIN**: 00032083	42	1C, Court Road, Civil Lines, New Delhi 110 054, India
Mr. Manohar Lal Singla **Designation**: Independent Director **DIN**: 03625700	54	23/4, Cavalry Lines, Delhi University Campus, New Delhi 110 007, India
Mr. Krishan Kumar Khurana **Designation**: Independent Director **DIN**: 00253589	55	A – 33, Nizamuddin East, New Delhi 110 013, India

For further details on the Board of Directors of our Company, see "***Our Management***" on page 144.

Company Secretary and Compliance Officer

Our Company has appointed Mr. Vijay Panwar, the Company Secretary as the Compliance Officer. His contact details are as follows:

Mr. Vijay Panwar, Company Secretary

PC Jeweller Limited
C-54, Preet Vihar
New Delhi 110 092
India
Tel: (+91 11) 4971 4971 Extn.: 222
Fax: (+91 11) 4971 4972
E-mail: investors@pcjewellers.com

Bidders may contact our Company Secretary and Compliance Officer, the BRLMs, the CBRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment or refunds and credit of Equity Shares in the respective beneficiary accounts.

Book Running Lead Managers

SBI Capital Markets Limited

202, Maker Tower 'E', Cuffe Parade
Mumbai 400 005
India
Tel: (+91 22) 2217 8300
Fax: (+91 22) 2218 8332
E-mail: pcj.ipo@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Ms. Anshika Malaviya
SEBI Registration No.: INM000003531

Kotak Mahindra Capital Company Limited

1st Floor, Bakhtawar
229, Nariman Point
Mumbai 400 021
India
Tel: (+91 22) 6634 1100
Fax: (+91 22) 2284 0492
E-mail: pcj.ipo@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704

Co-Book Running Lead Manager

IDBI Capital Markets Services Limited

3rd Floor, Mafatlal Centre
Nariman Point, Mumbai 400 021
India
Tel: (+91 22) 4322 1212
Fax: (+91 22) 2285 0785
Email: pcj.ipo@idbicapital.com
Investor Grievance E-mail: redressal@idbicapital.com
Website: www.idbicapital.com
Contact Person: Mr. Hemant Bothra / Mr. Jitendra Agarwal
SEBI Registration Number: INM000010866

Syndicate Members

SBICAP Securities Limited
191, Maker Tower 'E', Cuffe Parade
Mumbai 400 005
India
Tel: (+91 22) 4227 3300
Fax: (+91 22) 4227 3390
E-mail: archana.dedhia@sbicapsec.com
Website: www.sbicapsec.com
Contact Person: Ms. Archana Dedhia
SEBI Registration Nos.: BSE: INB011053031, NSE: INB231052938

Kotak Securities Limited
3rd Floor, Nirlon House
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 025
India
Tel: (+91 22) 6740 9431
Fax: (+91 22) 6661 7041
E-mail: sanjeeb.das@kotak.com
Website: www.kotak.com
Contact Person: Mr. Sanjeeb Kumar Das
SEBI Registration Nos.: BSE: INB010808153, NSE: INB230808130

Legal Counsels

Domestic Legal Counsel to our Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.

Amarchand Towers

216, Okhla Industrial Estate, Phase-III
New Delhi 110 020
India
Tel: (+91 11) 2692 0500
Fax: (+91 11) 2692 4900

Domestic Legal Counsel to the Underwriters

S&R Associates

64, Okhla Industrial Estate, Phase-III
New Delhi 110 020
India
Tel: (+91 11) 4069 8000
Fax: (+91 11) 4069 8001

International Legal Counsel to the Underwriters

DLA Piper Singapore Pte. Ltd.

80 Raffles Place
#48-01 UOB Plaza 1
Singapore 048 624
Tel: (+65) 6512 9595
Fax: (+65) 6512 9500

Registrar to the Issue

Karvy Computershare Private Limited

Plot No. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad 500 081
India
Tel: (+91 40) 4465 5000
Fax: (+91 40) 2343 1551
E-mail: pcjeweller.ipo@karvy.com
Website: http://karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration Number: INR000000221

All future communications in connection with queries related to Allotment, credit of Equity Shares, refunds, non-receipt of Allotment Advice and other post-Issue matters should be addressed to the Registrar to the Issue. In case of ASBA Bids submitted to the SCSBs, the Bidders should contact the relevant SCSB. In case of queries related to ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the Bidders should contact the relevant member of the Syndicate. All such communications should quote the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch, as the case may be, where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Payment Amount was blocked. All grievances relating to the ASBA process may also be copied to the Registrar to the Issue.

Self Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSBs for the ASBA process is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063494684.html. For more information on the Designated Branches collecting Bid-cum-Application-Forms, see the above mentioned SEBI link.

Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) named by the respective SCSBs to receive deposits of Bid-cum-Application-Forms from the members of the Syndicate is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063270138.html. For more information on such branches collecting Bid-cum-Application-Forms from the members of the Syndicate at Syndicate ASBA Bidding Locations, see the above mentioned SEBI link.

Bankers to our Company

Allahabad Bank
17, 3rd Floor, Parliament Street
New Delhi 110 001
India
Tel: (+91 11) 2336 0326 / 2374 6613
Fax: (+91 11) 2374 2302 / 2336 1397
Email: br.del_ibl@allahabadbank.in
Website: www.allahabadbank.in

Axis Bank Limited
Statesman House, 2nd floor,
148, Barakhamba Road
New Delhi 110 001
India
Tel: (+91 11) 4368 2400
Fax: (+91 11) 4368 2447 / 4151 5449
Email: shaleen.verma@axisbank.com
Website: www.axisbank.com

Bank of India
Hotel Connaught
37, Shaheed Bhagat Singh Marg
Connaught Place
New Delhi 110 001
India
Tel: (+91 11) 2336 5621/2336 2272
Fax: (+91 11) 2334 5603
Email: MCB.NewDelhi@bankofindia.co.in
Website: www.bankofindia.co.in

Canara Bank
D28/29, Jeevan Bharati Building
Connaught Place
New Delhi 110 001
India
Tel: (+91 11) 2372 0456/2371 9546
Fax: (+91 11) 2332 7334
Email: cb1098@canarabank.com
Website: www.canarabank.com

Corporation Bank
M-41, Connaught Place
New Delhi 110 001
India
Tel: (+91 11) 2341 2633 / 3298 2276
Fax: (+91 11) 2341 8547
Email: cb0141@corpbank.co.in
Website: www.corpbank.com

HDFC Bank Limited
2nd floor, Emerging Corporates Group
HDFC Bank House, Vatika Atrium
A-Block, Golf Course Road
Sector -53
Gurgaon 122 002
Tel: (+91 124) 4664 000/4664 399/ 4664 398
Fax: (+91 124) 4375 595
Email: amit.bajaj@hdfcbank.com /
rajeev.aggarwal@hdfcbank.com
Website: www.hdfcbank.com

IDBI Bank Limited
Indian Red Cross Society Building, 3rd Floor
1, Red Cross Road
New Delhi 110 001
India
Tel: (+91 11) 6628 1199
Fax: (+91 11) 2335 9208
Email: ps.dubey@idbi.co.in
Website: www.idbi.co.in

Indian Overseas Bank
D-28 - 29, Connaught Place
New Delhi 110 001
India
Tel: (+91 11) 2341 7102
Fax: (+91 11) 23415497
Email: indfibr@delsco.iobnet.co.in
Website: www.iob.in

Karur Vysya Bank Limited
882, Master Prithvinath Marg (East Park Road)
Karol Bagh
New Delhi 110 005
India
Tel: (+91 11) 2353 5016
Fax: (+91 11) 2353 5020

Kotak Mahindra Bank Limited
7th floor, Ambadeep Building
14 Kasturba Gandhi Marg
New Delhi 110 001
India
Tel: (+91 11) 6008 4223
Fax: (+91 11) 6608 4209

Email: karolbagh@kvbmail.com
Website: www.kvb.co.in

State Bank of Bikaner & Jaipur
469, Outside Katra Neel
Chandni Chowk
New Delhi 110 006
India
Tel: (+91 11) 2392 9756
Fax: (+91 11) 2392 8765
Email: sbbj110013@sbbj.co.in
Website: www.sbbjbank.com

State Bank of Patiala
Commercial Branch, Chandralok Building, 2nd Floor
36, Janpath
New Delhi 110 001
India
Tel: (+91 11) 2331 9563/2331 2004
Fax: (+91 11) 2335 4365
Email: sbpcbnd@yahoo.co.in
Website: www.sbp.co.in

YES Bank Limited
D-12, South Extension Part II
New Delhi 110 049
India
Tel: (+91 11) 4602 9062
Fax: (+91 11) 4602 9000
Email: kishore.talukdar@yesbank.in; dinesh.aggarwal@yesbank.in
Website: www.yesbank.in

Email: laveesh.puri@kotak.com
Website: www.kotak.com

State Bank of India
Jawahar Vyapar Bhavan, 9th Floor
1, Tolstoy Marg
New Delhi 110 001
India
Tel: (+91 11) 2337 4916
Fax: (+91 11) 2373 6460
Email: rm2.04803@sbi.co.in
Website: www.sbi.co.in

Union Bank of India
10184, Arya Samaj Road
Karol Bagh
New Delhi 110 005
India
Tel: (+91 11) 2875 0709
Fax: (+91 11) 2875 0802
Email: karolbagh@unionbankofindia.com
Website: www.unionbankofindia.com

Bankers to the Issue / Escrow Collection Banks

Kotak Mahindra Bank Limited

Kotak Towers, 6th floor, Zone 3, Building no. 21
Infinity Park, Off Western Express Highway
Goregoan, Mulund Link Road, Malad (E)
Mumbai 400 097
India
Tel: (+91 22) 6605 6959
Fax: (+91 22) 6725 9080
Contact Person: Mr. Prashant Sawant
Email: prashant.sawant@kotak.com
Website: www.kotak.com
SEBI Registration No.: INB10000927

State Bank of India

Videocon Heritage (Killick House)
Ground floor, Chiranjit Rai Marg, Fort
Mumbai 400 001
India
Tel: (+91 22) 2209 4932 / 2209 4927
Fax: (+91 22) 2209 4921 / 2209 4922
Contact Person: Mr. Anil Sawant
Email: nib.11777@sbi.co.in / sbi11777@yahoo.co.in
Website: www.statebankofindia.com

SEBI Registration No.: INB100000038

IndusInd Bank Limited

1001, Ground Floor, Building No. 10
Solitaire Corporate Park
Guru Hargovindji Marg, Andheri (East)
Mumbai 400 093
Tel: (+91 22) 6772 3943
Fax: (+91 22) 6623 8021 / 6772 3998
Contact Person: Mr. Sanjay Vasarkar
Email: sanjay.vasarkar@indusind.com
Website: www.indusind.com
SEBI Registration No.: INB100000002*

** The SEBI registration of IndusInd Bank Limited was valid up to October 15, 2012. An application for grant of permanent registration has been made by IndusInd Bank Limited on July 10, 2012, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 7A of the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended. The approval from SEBI is currently awaited. No communication has been received by IndusInd Bank Limited from SEBI rejecting the said application.*

HDFC Bank Limited

FIG-OPS Department – Lodha
I Think Techno Campus, O-3 Level
Kanjumarg (East)
Mumbai 400 042
Tel: (+91 22) 3075 2928
Fax: (+91 22) 2579 9801
Contact Person: Mr. Uday Dixit
Email: uday.dixit@hdfcbank.com / figdelhi@hdfcbank.com / anchal.garg@hdfcbank.com / ashish.ujjawal@hdfcbank.com
Website: www.hdfcbank.com
SEBI Registration No.: INB100000063

Axis Bank Limited

B-14/7, D. B. Gupta Road, Dev Nagar
New Delhi 110 005
India
Tel: (+91 11) 4537 9000 / 4537 9002
Fax: (+91 11) 4537 9007
Contact Person: Mr. Amit Sharma / Mr. Atul Chawla / Mr. Rabin Kumar Ranjit / Mr. Rajan Arora
Email: dbguptaroad.branchhead@axisbank.com / dbguptaroad.operationshead@axisbank.com / rabinkumar.ranjit@axisbank.com / rajan.arora@axisbank.com
Website: www.axisbank.com
SEBI Registration No.: INB100000017

Refund Banks

Kotak Mahindra Bank Limited

Kotak Towers, 6th floor, Zone 3, Building no. 21
Infinity Park, Off Western Express Highway
Goregoan, Mulund Link Road, Malad (E)
Mumbai 400 097
India
Tel: (+91 22) 6605 6959
Fax: (+91 22) 6725 9080
Contact Person: Mr. Prashant Sawant
Email: prashant.sawant@kotak.com

Website: www.kotak.com
SEBI Registration No.: INB10000927

State Bank of India

Videocon Heritage (Killick House)
Ground floor, Chiranjit Rai Marg, Fort
Mumbai 400 001
India
Tel: (+91 22) 2209 4932 / 2209 4927
Fax: (+91 22) 2209 4921 / 2209 4922
Contact Person: Mr. Anil Sawant
Email: nib.11777@sbi.co.in / sbi11777@yahoo.co.in
Website: www.statebankofindia.com
SEBI Registration No.: INB100000038

Statutory Auditors to our Company

Walker Chandiok & Company, Chartered Accountants

21st floor, DLF Square
Jacaranda Marg, DLF Phase III
Gurgaon 122 002
India
Tel: (+91 124) 4628 000
Fax: (+91 124) 4628 001
E-mail: gurgaon@in.gt.com
Firm registration No: 001076N

Sharad Jain Associates, Chartered Accountants

213, Hans Bhavan
1, Bahadur Shah Zafar Marg
New Delhi 110 002
India
Tel: (+91 11) 2337 9477
Fax: (+91 11) 4502 6725
E-mail: sjassociates@hotmail.com
Firm registration No: 015201N

IPO Grading Agencies

Credit Analysis and Research Limited

4th floor, Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway
Sion (East)
Mumbai 400 022
India
Tel: (+91 22) 6754 3456
Fax: (+91 22) 6754 3457
Email: jasmeen.kaur@careratings.com
Website: www.careratings.com
Contact Person: Ms. Jasmeen Kaur
SEBI Registration No.: IN/CRA/004/1999

CRISIL Limited

CRISIL House, Central Avenue

Hiranandani Business Park, Powai
Mumbai 400 076
India
Tel: (+91 22) 3342 3000
Fax: (+91 22) 3342 8088
Email: mukesh.agarwal@crisil.com
Website: www.crisil.com
Contact Person: Mr. Mukesh Agarwal
SEBI Registration No.: IN/CRA/001/1999

IPO Grading

The Issue has been graded by Credit Analysis and Research Limited ("**CARE Research**") and CRISIL Limited ("**CRISIL**"). CARE Research has assigned a grade of "CARE IPO Grade 3" indicating average fundamentals by way of their letter dated October 19, 2012. CRISIL has assigned a grade of "CRISIL IPO Grade 3", indicating average fundamentals by way of their letter dated November 6, 2012. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO Grade 5 indicating strong fundamentals and IPO Grade 1 indicating poor fundamentals. For details in relation to the rationale furnished by CARE Research and CRISIL, see "***Annexure I***" on page 434. Attention is drawn to the disclaimer appearing on page 439.

Credit Rating

As this is an issue of Equity Shares, the appointment of credit rating agency is not required.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

IDBI Bank Limited

Syndication, Structuring & Advisory Department
14th floor, IDBI Tower, WTC Complex
Cuffe Parade
Mumbai 400 005
Tel.: (+91 22) 6619 4085
Fax.: (+91 22) 2218 3619
Email: anunay.jha@idbi.co.in
Website: www.idbi.com
Contact Person: Mr. Anunay Kumar Jha

IDBI Bank Limited has been appointed as the monitoring agency for the purposes of monitoring the utilization of the proceeds of the Issue in accordance with Regulation 16 of the SEBI ICDR Regulations.

Appraising Agency

No appraising agency has been appointed in respect of any project of our Company.

Experts

Except for the reports of CARE Research and CRISIL in respect of the IPO grading of the Issue (copies of which have been annexed to this Red Herring Prospectus as Annexure I), furnishing the rationale for their grading and except for the reports of the Auditors of our Company on the restated financial statements, the restated consolidated financial statements and the 'Statement of Tax Benefits', included in this Red Herring Prospectus, our Company has not obtained any expert opinions.

Statement of Responsibilities as BRLMs and CBRLM to the Issue

The responsibilities and co-ordination for the various activities for the Issue are as follows:

Sl. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	SBI Caps, Kotak, IDBI	SBI Caps
2.	Due diligence of our Company's operations / management / business plans / legal, etc. Drafting and design of the offer documents including memorandum containing salient features of the offer documents. The BRLMs and the CBRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of the offer documents and filing with the RoC.	SBI Caps, Kotak, IDBI	SBI Caps
3.	Drafting and approval of all non-statutory advertisement including corporate advertisement, brochure, etc.	SBI Caps, Kotak, IDBI	SBI Caps
4.	Drafting and approval of all statutory advertisements	SBI Caps, Kotak, IDBI	IDBI
4.	Appointment of other intermediaries - Registrar, Advertising Agency and Bankers to the Issue	SBI Caps, Kotak, IDBI	 Kotak
	- Printers, Monitoring Agency and IPO Grading Agencies		SBI Caps
5.	International institutional marketing strategy - preparation of road show presentation and frequently asked questions, finalizing the list and division of investors for one to one meetings, in consultation with our Company, and finalizing the international road show schedule and investor meeting schedules	SBI Caps, Kotak, IDBI	Kotak
6.	Domestic institutions / banks / mutual funds marketing strategy - finalizing the list and division of investors for one to one meetings, institutional allocation in consultation with our Company, finalizing the list and division of investors for one to one meetings and finalizing investor meeting schedules	SBI Caps, Kotak, IDBI	SBI Caps
7.	Non-Institutional and Retail marketing of the Issue, which will cover, *inter alia*, formulating marketing strategies, preparation of publicity budget, finalizing media and public relations strategy, finalizing centers for holding conferences for press and brokers, following-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	SBI Caps, Kotak, IDBI	SBI Caps
8.	Co-ordination with the Stock Exchanges for Book Building software, bidding terminals and mock trading	SBI Caps, Kotak, IDBI	IDBI
9.	Managing the book and finalization of pricing, in consultation with our Company	SBI Caps, Kotak, IDBI	Kotak
10.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders, etc. The post Issue activities for the Issue involving essential follow up steps, which include the finalization of trading and dealing of instruments and demat of delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank(s) handling refund business. The BRLMs and the CBRLM shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.	SBI Caps, Kotak, IDBI	Kotak

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of this Red Herring Prospectus within the Price Band. The Price Band, the minimum Bid lot size and the rupee amount of the Retail Discount and Employee Discount for the Issue will be decided by our Company in consultation with the BRLMs and the CBRLM, and advertised in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), at least five Working Days prior to the Bid/ Issue Opening Date and such advertisement shall be available on the websites of the Stock Exchanges. The Issue Price is finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the BRLMs and the CBRLM;
- the Syndicate Members who are intermediaries registered with the SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters;
- the Registrar to the Issue;
- the Escrow Collection Banks; and
- the SCSBs.

Pursuant to Rule 19 (2) (b) (i) of the SCRR, the Net Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process where 50% of the Net Issue will be available for allocation to QIBs on a proportionate basis, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further 358,500 Equity Shares shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

QIB Bidders and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until finalization of Basis of Allotment. For further details, see "***Issue Structure***" on page 347.

We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by the SEBI for the Issue. In this regard, we have appointed the BRLMs and the CBRLM to manage the Issue and procure subscriptions for the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; and also excludes bidding by Anchor Investors or under the ASBA process)*

Bidders can bid at any price within the Price Band. For instance, assume a price band of ₹ 20 to ₹ 24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The issuer, in consultation with the book running lead managers will, finalize the issue price at or below such cut-off price, i.e., at or below ₹ 22. All bids at or above this issue price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details, see "***Issue Procedure - Who Can Bid***" on page 358).

2. Ensure that you have a PAN, an active dematerialized account and the dematerialized account details including DP ID, Client ID and PAN are correctly mentioned in the Bid-cum-Application Form. Based on these three parameters, the Registrar to the Issue will obtain details of the Bidders from the Depositories including Bidder's name, bank account number etc.;

3. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid-cum-Application Form (see "***Issue Procedure –'PAN' or 'GIR' Number***" on page 379).

4. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in this Red Herring Prospectus, the abridged Prospectus and in the Bid-cum-Application Form.

5. QIB Bidders (except Anchor Investors) and Non-Institutional Bidders shall compulsorily participate in the Issue through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

6. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs or to the members of the Syndicate at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Ensure that the SCSB where the ASBA Account (as specified in the Bid-cum-Application Form) is maintained has named at least one branch at that location for the members of the Syndicate to deposit Bid-cum-Application Forms (a list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063270138.html).

7. Bids by ASBA Bidders may be submitted in the physical mode to the Syndicate at the Syndicate ASBA Bidding Locations and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bidders should ensure that their respective ASBA Accounts have adequate credit balance at the time of submission to the SCSB to ensure that the Bid-cum-Application Form is not rejected.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs and the CBRLM, reserves the right not to proceed with the Issue at anytime after the Bid/ Issue Opening Date but before the Allotment. If our Company withdraws the Issue, it shall issue a public notice, within two days of such decision, providing reasons for not proceeding with the Issue. The BRLMs and the CBRLM through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such notification. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges shall also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges with respect to the Equity Shares issued through this Red Herring Prospectus, which our Company will ensure will be completed within 12 Working Days from the Bid/Issue Closing Date; and (ii) the final RoC approval of the Prospectus.

Bid/Issue Period

BID/ISSUE OPENS ON *	December 10, 2012
BID/ISSUE CLOSES ON	December 12, 2012
FINALIZATION OF BASIS OF ALLOTMENT**	December 21, 2012
CREDIT OF EQUITY SHARES TO THE INVESTORS' DEMATERIALIZED ACCOUNTS**	December 24, 2012
INITIATION OF REFUNDS**	December 24, 2012
COMMENCEMENT OF TRADING**	December 27, 2012

** Our Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*
***The above mentioned dates are indicative only.*

Except in relation to Anchor Investors, Bids and revision of Bids, shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/Issue Period as mentioned above at the Bidding centers mentioned in the Bid-cum-Application Form, or in the case of Bids submitted through ASBA, the Designated Branches of the SCSBs and the bidding centres of the members of the Syndicate at the Syndicate ASBA Bidding Locations, **except that on the Bid/ Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. (Indian Standard Time), for Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, which may be extended up to such time as permitted by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs and the CBRLM to the Stock Exchanges within half an hour of such closure.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for Allotment in the Issue. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on Working Days.

Our Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed at least five Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs, the CBRLM and at the terminals of the other members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs and the CBRLM will be responsible for bringing in the amount devolved, in the event any of their respective Syndicate

Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC

(Amount in ₹ million)

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Red Herring Prospectus is set forth below:

(₹)

		Aggregate value at face value	Aggregate value at Issue Price
A)	**Authorized Share Capital***		
	200,000,000 Equity Shares of ₹ 10 each	2,000,000,000	-
B)	**Issued, subscribed and paid-up share capital prior to the Issue****		
	133,966,500 Equity Shares of ₹ 10 each	1,339,665,000	-
C)	**The Issue*****		
	45,133,500 Equity Shares of ₹ 10 each	451,335,000	[●]
D)	**Employee Reservation Portion**		
	358,500 Equity Shares of ₹ 10 each	3,585,000	[●]
E)	**Net Issue**		
	44,775,000 Equity Shares of ₹ 10 each	447,750,000	[●]
	Of which		
	QIB Portion of 22,387,500 Equity Shares#	223,875,000	[●]
	Of which		
	1. Available for allocation to Mutual Funds only	[●]	[●]
	2. Balance for all QIBs including Mutual Funds	[●]	[●]
	Non Institutional Portion of not less than 6,716,250 Equity Shares	67,162,500	[●]
	Retail Portion of not less than 15,671,250 Equity Shares	156,712,500	[●]
F)	**Issued, subscribed and paid-up share capital after the Issue**		
	179,100,000 Equity Shares of ₹ 10 each	1,791,000,000	
G)	**Share Premium Account**		
	Before the Issue	Nil	
	After the Issue##	[●]	

* *For details in the changes of the authorized share capital of our Company, see "**History and Certain Corporate Matters**" on page 139.*
** *As on date of this Red Herring Prospectus, there is no pending share application money.*
*** *The Issue has been authorized pursuant to resolutions of our Board of Directors at its meetings held on August 19, 2011 and August 28, 2012 and our shareholders at their meetings held on September 16, 2011 and September 25, 2012, pursuant to Section 81(1A) of the Companies Act.*
\# *Our Company, in consultation with the BRLMs and the CBRLM, may allocate up to 30% of the QIB Portion, consisting of 6,716,250 Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. In case of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion. For more information see "**Issue Procedure**" on page 355.*
\#\# *To be finalized upon determination of the Issue Price.*

Notes to Capital Structure

1. Share Capital History of our Company

(a) Set forth below is the Equity Share capital history of our Company:

Date of issue/allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration in Cash/other than Cash	Nature of allotment	Cumulative paid-up Equity Share capital (₹)
April 13, 2005	10,000	10	10	Cash	Subscription to the Memorandum of Association(1)	100,000
March 31, 2006	4,736,200	10	10	Cash	Preferential allotment(2)	47,462,000

Date of issue/allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration in Cash/other than Cash	Nature of allotment	Cumulative paid-up Equity Share capital (₹)
October 25, 2006	5,500,000	10	10	Cash	Preferential allotment(3)	102,462,000
February 15, 2007	6,309,300	10	10	Cash	Preferential allotment(4)	165,555,000
February 19, 2007	1,600,000	10	10	Cash	Preferential allotment(5)	181,555,000
March 31, 2008	4,000,000	10	10	Cash	Preferential allotment(6)	221,555,000
September 7, 2009	18,000,000	10	10	Cash	Preferential allotment(7)	401,555,000
October 13, 2010	4,500,000	10	60	Cash	Preferential allotment(8)	446,555,000
September 20, 2011	89,311,000	10	N/A	N/A	Bonus issue in the ratio 2:1(9)	1,339,665,000

(1) Subscription by Mr. Padam Chand Gupta (5,000 Equity Shares), Mr. Balram Garg (2,500 Equity Shares) and Mr. Pawan Gupta (2,500 Equity Shares).

(2) Preferential allotment of 350,000 Equity Shares to Mr. Amar Chand Garg, 143,000 Equity Shares to Amar Chand HUF, 14,000 Equity Shares to Balram Garg HUF, 2,497,500 Equity Shares to Mr. Balram Garg, 25,000 Equity Shares to Ms. Manju Garg, 242,500 Equity Shares to Mr. Padam Chand Gupta, 43,000 Equity Shares to Ms. Pooja Garg, 130,700 Equity Shares to Mr. Sachin Gupta, 186,500 Equity Shares to Padam Chand HUF, 124,000 to Ms. Payal Lila and 980,000 Equity Shares to Ms. Shivani Gupta.

(3) Preferential allotment of 2,000,000 Equity Shares to Mr. Amar Chand Garg and 3,500,000 Equity Shares to Mr. Padam Chand Gupta.

(4) Preferential allotment of 2,670,900 Equity Shares to Mr. Amar Chand Garg, 277,200 Equity Shares to Amar Chand HUF, 2,945,600 Equity Shares to Mr. Padam Chand Gupta, 60,400 Equity Shares to Ms. Pooja Garg, 175,200 Equity Shares to Padam Chand HUF, 180,000 Equity Shares to Ms. Krishna Devi.

(5) Preferential allotment of 1,600,000 Equity Shares to Ms. Krishna Devi.

(6) Preferential allotment of 3,350,000 Equity Shares to Mr. Balram Garg; 450,000 Equity Shares to Mr. Amar Chand Garg and 200,000 Equity Shares to Mr. Sachin Gupta.

(7) Preferential allotment of 13,030,000 Equity Shares to Mr. Balram Garg, 2,500,000 Equity Shares to Mr. Amar Chand Garg and 2,470,000 Equity Shares to Mr. Padam Chand Gupta.

(8) Preferential allotment of 1,375,000 Equity Shares to Mr. Padam Chand Gupta, 1,375,000 to Mr. Amar Chand Garg, 75,000 Equity Shares to Mr. Satish Chand Aggarwal, 10,000 Equity Shares to Ms. Santosh Sharma and 1,665,000 Equity Shares to Quick Developers Private Limited.

(9) Allotment of 44,001,800 Equity Shares to Mr. Balram Garg, 33,581,200 Equity Shares to Mr. Padam Chand Gupta, 3,560,000 Equity Shares to Ms. Krishna Devi, 1,960,000 Equity Shares to Ms. Shivani Gupta, 840,400 Equity Shares to Amar Chand HUF, 723,400 Equity Shares to Padam Chand HUF, 661,400 Equity Shares to Mr. Sachin Gupta, 248,000 Equity Shares to Ms. Payal Lila, 206,800 Equity Shares to Ms. Pooja Garg, 28,000 Equity Shares to Balram Garg HUF, 170,000 Equity Shares to Ms. Santosh Sharma and 3,330,000 Equity Shares to Quick Developers Private Limited.

(b) As on the date of this Red Herring Prospectus, our Company does not have any outstanding preference shares.

2. **Issue of Equity Shares for Consideration other than Cash**

As on the date of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash or issued any Equity Shares out of revaluation reserves.

3. **Issue of Equity Shares in the last one year**

Our Company has not issued any Equity Shares in the last one year.

4. **Build-up of our Promoter's shareholding, Promoter's contribution and lock-in**

(i) Build-up of our Promoters' shareholding in our Company

As on the date of this Red Herring Prospectus, our Promoters, Mr. Padam Chand Gupta and Mr. Balram Garg hold 116,374,500 Equity Shares, which constitutes 86.87% of the issued, subscribed and paid-up Equity Share capital of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since the incorporation of our Company.

Name of Promoter	Date of issue/allotment/acquisition, and when fully paid up	Consideration in Cash/other than Cash	Nature of allotment/acquisition	No. of Equity Shares	Face value (₹)	Consideration per Equity Share (₹)	Cumulative Number of Equity Shares
Mr. Padam Chand Gupta	April 13, 2005	Cash	Subscription to the Memorandum of Association	5,000	10	10	5,000
	August 2, 2005	Cash	Acquisition (1)	2,500	10	10	7,500
	August 2, 2005	Cash	Transfer (2)	(100)	10	10	7,400
	March 31, 2006	Cash	Preferential Allotment	242,500	10	10	249,900
	March 31, 2006	Cash	Acquisition (3)	100	10	10	250,000
	October 25, 2006	Cash	Preferential Allotment	3,500,000	10	10	3,750,000
	February 15, 2007	Cash	Preferential Allotment	2,945,600	10	10	6,695,600
	September 7, 2009	Cash	Preferential Allotment	2,470,000	10	10	9,165,600
	October 14, 2009	Cash	Transfer (4)	(1)	10	10	9,165,599
	October 13, 2010	Cash	Preferential Allotment	1,375,000	10	60	10,540,599
	June 3, 2011	Cash	Acquisition(5)	1	10	60	10,540,600
	August 19, 2011	N/A	Gift (6)	6,225,000	10	N/A	16,765,600
	August 19, 2011	N/A	Gift (7)	25,000	10	N/A	16,790,600
	September 20, 2011	N/A	Bonus issue in the ratio 2:1	33,581,200	10	N/A	50,371,800
TOTAL (A)				**50,371,800**			
Mr. Balram Garg	April 13, 2005	Cash	Subscription to the Memorandum of Association	2,500	10	10	2,500
	March 31, 2006	Cash	Preferential Allotment	2,497,500	10	10	2,500,000
	March 31, 2008	Cash	Preferential Allotment	3,350,000	10	10	5,850,000
	September 7, 2009	Cash	Preferential Allotment	13,030,000	10	10	18,880,000
	August 19, 2011	N/A	Gift (8)	3,120,900	10	N/A	22,000,900
	September 20, 2011	N/A	Bonus issue in the ratio 2:1	44,001,800	10	N/A	66,002,700
TOTAL (B)				**66,002,700**			
TOTAL (A+B)				**116,374,500**			

(1) *Acquisition of 2,500 Equity Shares from Mr. Pawan Gupta.*

(2) *Transferred 100 Equity Shares to Mr. Praveen Singhal.*

(3) *Acquisition of 100 Equity Shares from Mr. Praveen Singhal.*

(4) *Transferred 1 Equity Share to Pradeep Kumar Jain HUF.*

(5) *Acquisition of 1 Equity Share from Pradeep Kumar Jain HUF.*

(6) *Gift of 6,225,000 Equity Shares by Mr. Amar Chand Garg.*

(7) *Gift of 25,000 Equity Shares by Ms. Manju Garg.*
(8) *Gift of 3,120,900 Equity Shares by Mr. Amar Chand Garg.*

(ii) Shareholding of our Promoters and our Promoter Group

The table below presents the shareholding of our Promoters and Promoter Group as on the date of filing of this Red Herring Prospectus:

Shareholder	Pre-Issue		Post-Issue*	
	No. of Equity Shares	Percentage of issued Equity Share capital	No. of Equity Shares	Percentage issued Equity Share capital
Promoter				
Mr. Padam Chand Gupta	50,371,800	37.60	50,371,800	28.12
Mr. Balram Garg	66,002,700	49.27	66,002,700	36.85
Sub Total (A)	**116,374,500**	**86.87**	**116,374,500**	**64.97**
Promoter Group				
Ms. Krishna Devi	5,340,000	3.99	5,340,000	2.98
Amar Chand HUF	1,260,600	0.94	1,260,600	0.70
Padam Chand HUF	1,085,100	0.81	1,085,100	0.61
Sachin Gupta	992,100	0.74	992,100	0.55
Pooja Garg	310,200	0.23	310,200	0.17
Balram Garg HUF	42,000	0.03	42,000	0.02
Sub Total (B)	**9,030,000**	**6.74**	**9,030,000**	**5.04**
Total Promoters and Promoter Group ((A) + (B))	**125,404,500**	**93.61**	**125,404,500**	**70.02**

** Assuming none of the Promoters and members of the Promoter Group participate in the Issue.*

(iii) Details of Promoter's Contribution Locked-in for Three Years

Pursuant to the SEBI ICDR Regulations, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company shall be locked in by our Promoters for a period of three years from the date of Allotment. All Equity Shares of our Company held by our Promoters are eligible for Promoters' contribution.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoters' under the SEBI ICDR Regulations. The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

a) The Equity Shares offered for minimum Promoter's contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or have resulted from an issuance of Equity Shares pursuant to a bonus issue out of revaluation reserves or unrealized profits of our Company or against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

b) The minimum Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

c) Our Company has not been formed by the conversion of a partnership firm into a company and thus no Equity Shares have been issued to the Promoters upon conversion of a partnership firm;

d) The Equity Shares held by our Promoters and offered for minimum Promoter's contribution are not subject to any pledge; and

e) All the Equity Shares of our Company held by the Promoters and the Promoter Group are held in dematerialized form.

Accordingly, 35,820,000 Equity Shares, aggregating up to 20% of the post-Issue capital of our Company, held by our Promoters, shall be locked in for a period of three years from the date of Allotment in the Issue. Details of the same are as follows:

Name of Promoter	Date of allotment/acquisition and when fully paid-up	Consideration (Cash/ other than Cash)	Nature of allotment / acquisition	No. of Equity Shares allotted	Face Value (₹)	Consideration per Equity Share (₹)	No. of Equity Shares being locked in	% of Post Issue Paid Up Capital
Mr. Padam Chand Gupta	September 20, 2011	N/A	Bonus issue in the ratio 2:1	33,581,200	10	N/A	17,910,000	10.00
Mr. Balram Garg	September 20, 2011	N/A	Bonus issue in the ratio 2:1	44,001,800	10	N/A	17,910,000	10.00
Total				**77,583,000**			**35,820,000**	**20.00**

(iv) Details of Equity Shares Locked-in for One Year

In addition to the lock-in of the Promoters contribution for three years, the balance pre-Issue Equity Share capital of our Company, comprising 98,146,500 Equity Shares, would be locked-in for a period of one year from the date of Allotment.

(v) Lock-in of Equity Shares Allotted to Anchor Investors

Further, Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(vi) Other requirements in respect of lock-in

The locked-in Equity Shares held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. However, Equity Shares locked in as Promoter's contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

The Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Equity Shares held by our Promoters may be transferred inter se to and among our Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations.

5. **Shareholding Pattern of our Company**

a) The table below presents our shareholding pattern, as per clause 35 of the Equity Listing Agreements, as on the date of filing of this Red Herring Prospectus:

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHARE-HOLDERS	TOTAL NUMBER OF SHARES (PRE ISSUE)	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NUMBER OF SHARES (POST ISSUE)*	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		NO. OF SHARES PLEDGED OR OTHERWISE ENCUMBERED
						PRE-ISSUE	POST-ISSUE*	
						AS A PERCENTAGE of (A+B)	AS A PERCENTAGE of (A+B)	
(I)	(II)	(III)	(IV)	(V)		(VI)		
(A)	**PROMOTER AND PROMOTER GROUP**							
(1)	INDIAN							
(a)	Individual /HUF	8	125,404,500	125,404,500	125,404500	93.61	70.02	Nil
(b)	Central Government/State Government(s)	0	0	0	0	0	0	Nil
(c)	Bodies Corporate	0	0	0	0	0	0	Nil
(d)	Financial Institutions /	0	0	0	0	0	0	Nil

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO OF SHAREHOLDERS	TOTAL NUMBER OF SHARES (PRE ISSUE)	NO OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL NUMBER OF SHARES (POST ISSUE)*	TOTAL SHAREHOLDING AS A % OF TOTAL NO OF SHARES		NO. OF SHARES PLEDGED OR OTHERWISE ENCUMBERED
						PRE-ISSUE	POST-ISSUE*	
						AS A PERCENTAGE of (A+B)	AS A PERCENTAGE of (A+B)	
(I)	(II)	(III)	(IV)	(V)		(VI)		
	Banks							
(e)	Others	0	0	0	0	0	0	Nil
	Sub-Total A(1) :	**8**	**125,404,500**	**125,404,500**	**125,404,500**	**93.61**	**70.02**	Nil
(2)	FOREIGN							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	Nil
(b)	Bodies Corporate	0	0	0	0	0	0	Nil
(c)	Institutions	0	0	0	0	0	0	
(d)	Qualified Foreign Investor	0	0	0	0	0	0	
(e)	Others	0	0	0	0	0	0	
	Sub-Total A(2) :	**0**	**0**	**0**	**0**	**0**	**0**	Nil
	Total A=A(1)+A(2)	**8**	**125,404,500**	**125,404,500**	**125,404,500**	**93.61**	**70.02**	Nil
(B)	**PUBLIC SHAREHOLDING***							
(1)	INSTITUTIONS	0	0	0		0		
(a)	Mutual Funds /UTI	0	0	0		0		Nil
(b)	Financial Institutions /Banks	0	0	0		0		Nil
(c)	Central Government / State Government(s)	0	0	0		0		Nil
(d)	Venture Capital Funds	0	0	0		0		Nil
(e)	Insurance Companies	0	0	0		0		Nil
(f)	Foreign Institutional Investors	0	0	0		0		Nil
(g)	Foreign Venture Capital Investors	0	0	0		0		Nil
(h)	Qualified Foreign Investor	0	0	0		0		Nil
(i)	Others	0	0	0		0		Nil
	Sub-Total B(1) :	**0**	**0**	**0**		**0**		Nil
(2)	NON-INSTITUTIONS							
(a)	Bodies Corporate	1	4,995,500	4,995,500	4,995,500	3.73	2.79	Nil
(b)	Individuals							Nil
	(i) Individuals holding nominal share capital up to ₹1 lakh	0	0	0		0		Nil
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	3	3,567,000	3,567,000	3,567,000	2.66	1.99	Nil
(c)	Qualified Foreign Investor	0	0	0	0	0	0	Nil
(d)	Others	0	0	0	0	0	0	Nil
	Sub-Total B(2) :	**4**	**8,562,000**	**8,562,000**	**8,562,000**	**6.39**	**4.78**	Nil
(e)	PUBLIC (PURSUANT TO THE ISSUE) B(3)	-	-	-	45,133,500	-	25.20	Nil
	Total B=B(1)+B(2)+B(3):	**4**	**8,562,000**	**8,562,000**	**53,695,500**	**6.39**	**29.98**	Nil
	Total (A+B) :	**1**	**133,966,500**	**133,966,500**	**179,100,000**	**100.00**	100.00	Nil
(C)	**SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED**							
(1)	Promoter and Promoter Group	0	**0**	0	0	0	0	
(2)	Public	0		0				
	GRAND TOTAL (A+B+C) :	**12**	**133,966,500**	**133,966,500**	**179,100,000**	**100.00**	100.00	Nil

**This is based on the assumption that the existing shareholders shall continue to hold the same number of Equity Shares after the Issue. This does not include any Equity Shares that such shareholders (excluding our Promoters and Promoter Group) may Bid for and be Allotted in the Issue.*

6. The BRLMs, the CBRLM and their associates currently do not hold any Equity Shares in our Company.

7. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Red Herring Prospectus are set forth below:

(a) Our top 10 shareholders as on the date of filing of this Red Herring Prospectus and 10 days prior filing of this Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage shareholding	
			Pre-Issue	Post-Issue*
1.	Mr. Balram Garg	66,002,700	49.27	36.85
2.	Mr. Padam Chand Gupta	50,371,800	37.60	28.12
3.	Ms. Krishna Devi	5,340,000	3.99	2.98
4.	Quick Developers Private Limited	4,995,000	3.73	2.79
5.	Ms. Shivani Gupta	2,940,000	2.19	1.64
6.	Amar Chand (HUF)	1,260,600	0.94	0.70
7.	Padam Chand (HUF)	1,085,100	0.81	0.61
8.	Mr. Sachin Gupta	992,100	0.74	0.55
9.	Ms. Payal Lila	372,000	0.28	0.21
10.	Ms. Pooja Garg	310,200	0.23	0.17
	Total	**133,669,500**	**99.78**	**74.61**

**This is based on the assumption that the existing shareholders shall continue to hold the same number of Equity Shares after the Issue. This does not include any Equity Shares that such shareholders (excluding our Promoters and Promoter Group) may Bid for and be Allotted in the Issue.*

(b) Our top ten shareholders as of two years prior to filing this Red Herring Prospectus were as follows:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage shareholding
1.	Mr. Balram Garg	18,880,000	42.28
2.	Mr. Padam Chand Gupta	10,540,599	23.60
3.	Mr. Amar Chand Garg	9,345,900	20.93
4.	Ms. Krishna Devi	1,780,000	4.00
5.	Quick Developers Private Limited	1,665,000	3.73
6.	Ms. Shivani Gupta	980,000	2.19
7.	Amar Chand (HUF)	420,200	0.94
8.	Padam Chand (HUF)	361,700	0.81
9.	Mr. Sachin Gupta	330,700	0.74
10.	Ms. Payal Lila	124,000	0.27
	Total	**44,428,099**	**99.49**

8. As on the date of this Red Herring Prospectus, the public shareholders holding more than 1% of the pre-Issue share capital of our Company are as following:

S. No.	Name of Shareholder	No. of Equity Shares	Percentage shareholding	
			Pre-Issue	Post-Issue*
1.	Quick Developers Private Limited	4,995,000	3.73	2.79
2.	Ms. Shivani Gupta	2,940,000	2.19	1.64
	Total	**7,935,000**	**5.92**	**4.43**

**This is based on the assumption that the existing shareholders shall continue to hold the same number of Equity Shares after the Issue. This does not include any Equity Shares that such shareholders (excluding our Promoters and Promoter Group) may Bid for and be Allotted in the Issue.*

9. Except as provided below, there has been no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of this Red Herring Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.

S. No.	Name of Shareholder	Promoter/Director/Promoter Group	Number of Equity Shares Acquired	Number of Equity Shares Sold
1.	Mr. Padam Chand Gupta*	Promoter and Director	34,956,201	-
2.	Mr. Balram Garg*	Promoter and Director	44,001,800	-
3.	Ms. Krishna Devi	Promoter Group	3,560,000	-

**6,225,000 Equity Shares and 25,000 Equity Shares were gifted by Mr. Amar Chand Garg (brother of our Promoters) and Ms. Manju Garg (sister-in-law of our Promoters), respectively, to Mr. Padam Chand Gupta on August 19, 2011. Further, 3,120,900 Equity Shares were gifted by Mr. Amar Chand Garg to Mr. Balram Garg on August 19, 2011.*

10. 358,500 Equity Shares have been reserved for allocation on a proportionate basis to Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price and subject to the maximum Payment Amount by each Eligible Employee not exceeding ₹ 200,000. An Employee Discount of ₹ [●] to the Issue Price may be offered to Eligible Employees bidding in the Employee Reservation Portion. Only Eligible Employees bidding in the Employee Reservation Portion would be eligible to apply in the Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees bidding in the Employee Reservation Portion can also be made in the Net Issue and such Bids shall not be treated as multiple Bids. The Employee Reservation Portion will not exceed 5% of the post-Issue capital of our Company.

11. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

12. As on the date of this Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act.

13. There are no partly paid-up Equity Shares in our Company. All the Equity Shares offered through the Issue will be fully paid-up at the time of Allotment.

14. Except for the acquisition of one Equity Share by Mr. Padam Chand Gupta on June 3, 2011 from Pradeep Kumar Jain HUF at a price of ₹ 60, neither the members of our Promoter Group, nor our Promoters, nor our Directors and their relatives have purchased or sold any Equity Shares or financed the purchase of Equity Shares by any other person, other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with the SEBI. 6,225,000 Equity Shares and 25,000 Equity Shares were gifted by Mr. Amar Chand Garg (brother of our Promoters) and Ms. Manju Garg (sister-in-law of our Promoters), respectively, to Mr. Padam Chand Gupta on August 19, 2011. Further, 3,120,900 Equity Shares were gifted by Mr. Amar Chand Garg to Mr. Balram Garg on August 19, 2011.

15. As of the date of the filing of this Red Herring Prospectus, the total number of holders of our Equity Shares is 12.

16. Over-subscription to the extent of 10% of the Net Issue to the public can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalising the Basis of Allotment.

17. Our Promoters, members of our Promoter Group, our Company, our Directors, the BRLMs and the CBRLM have not entered into any buy-back or standby arrangements or any safety net arrangements for purchase of Equity Shares from any person.

18. Our Company, pursuant to a Board resolution dated September 23, 2011 and a shareholders resolution dated September 26, 2011 has adopted an employees' stock option plan, i.e., the PC Jeweller Limited Employee Stock Option Plan 2011 ("**ESOP 2011**"). Pursuant to ESOP 2011, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2011) including permanent employees and Directors except any employee who is a promoter of our Company or belongs to the Promoter Group or is a Director who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of our Company. The ESOP 2011 is administered by the Remuneration & Compensation Committee of our Board. Walker Chandiok and Company, Chartered Accountants, and Sharad Jain Associates, Chartered Accountants, our Auditors, have provided a certificate dated November 3, 2012 confirming that the ESOP 2011 is in compliance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

As on the date of filing of this Red Herring Prospectus, our Company has not granted any options to any eligible employees under the ESOP 2011. As per the ESOP 2011, a maximum of 2,679,330 options may be granted to eligible employees. Further, a single eligible employee cannot be granted options in excess of 0.2% of the issued capital of our Company. Each option granted pursuant to the ESOP 2011 will entitle the grantee to apply for one Equity Share. The terms and conditions of ESOP 2011 are detailed below:

Particulars	Details
Options granted	Nil No options have been granted as on the date of this Red Herring Prospectus, pursuant to ESOP 2011.
Pricing formula	The exercise price will be decided by the Remuneration & Compensation Committee at its sole discretion. Such exercise price will be intimated to the employees at the time of grant of options to them. The Company may re-price the options which are not exercised, whether or not they have been vested, if ESOP 2011 were to be rendered unattractive due to fall in the price of the Equity Shares. However, the Company will ensure that such re-pricing is not detrimental to the interest of the employees and the approval of the shareholders of the Company in a general meeting has been obtained for such re-pricing.
Vesting period	The options shall vest in the following manner: • 10% of the options shall vest on the completion of 12 months from the date of grant; • 20% of the options shall vest on the completion of 24 months from the date of grant; • 30% of the options shall vest on the completion of 36 months from the date of grant; and • 40% of the options shall vest on the completion of 48 months from the date of grant.
Options vested	Nil
Options exercised	Nil
The total number of Equity Shares arising as a result of exercise of options	Nil
Options lapsed	Nil
Variation of terms of options	Nil
Money realized by exercise of options	Nil
Total number of options in force	Nil
Employee-wise detail of options granted to	
(i) Senior managerial personnel	Nil
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard	N.A.
Lock-in	Nil

Particulars	Details
Impact on profit and EPS of the last three years	Nil
Difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	N.A.
Impact on the profits of the Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	N.A.
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	N.A.
Method and significant assumptions used to estimate the fair value of options granted during the year	N.A.
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	N.A.
Intention to sell Equity Shares arising out of the ESOP 2011 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2011 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A.

19. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares as on the date of this Red Herring Prospectus. Our Company has adopted an employee stock option plan, i.e., ESOP 2011. However, as on date of this Red Herring Prospectus no employee stock options have been granted pursuant to ESOP 2011.

20. Our Company has not raised any bridge loans against the Net Proceeds.

21. None of the Equity Shares held by our Promoters or any member of our Promoter Group is subject to any pledge.

22. Except to the extent of the allotment of Equity Shares, if any, pursuant to the exercise of options that may be granted under the ESOP 2011, we presently do not intend or propose any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner during the period commencing from the date of filing of this Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded on account of failure of the Issue.

23. Except to the extent of allotment of Equity Shares pursuant to the exercise of options granted under the ESOP 2011, we presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or

exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus issue or on a rights basis or by way of further public issue of Equity Shares or qualified institutional placements or otherwise. However, if we enter into any acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use the Equity Shares as currency for acquisition or participation in such joint ventures.

24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

25. Our Promoters and members of our Promoter Group will not participate in the Issue.

26. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this Red Herring Prospectus with the RoC and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

OBJECTS OF THE ISSUE

The Issue is being undertaken to meet the objects thereof, as set forth herein, and to realize the benefits of listing of our Equity Shares on the Stock Exchanges, including the enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The proceeds of the Issue, after deducting Issue related expenses ("**Net Proceeds**"), are estimated to be approximately [●] million.

The Net Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

1. To finance establishment of new showrooms; and
2. General corporate purposes.

The details of the proceeds of the Issue are summarized in the table below:

(₹ in million)

Particulars	Amount*
Gross Proceeds	[●]
less (Issue Related Expenses)	[●]
Net Proceeds	[●]

** To be finalized upon determination of the Issue Price.*

The main objects clause of our Memorandum of Association enables us to undertake the existing activities and the activities for which the funds are being raised by us through this Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the objects clause of our Memorandum of Association.

Utilization of Net Proceeds

The Net Proceeds will be utilized as set forth in the table below:

(₹ in million)

S. No.	Particulars	Amount
1.	To finance establishment of new showrooms	5,168.50
2.	General corporate purposes	[●]*
	Total	[●]*

**To be finalized upon determination of the Issue Price.*

Schedule of implementation and deployment of funds

We propose to deploy Net Proceeds for the aforesaid purposes in fiscal 2013 and fiscal 2014 in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As of the date of this Red Herring Prospectus, our Company had not deployed any funds towards objects of the Issue.

(₹ in million.)

S. No.	Particulars	Total Estimated Fund Requirement	Estimated Utilization in fiscal 2013	Estimated Utilization in fiscal 2014
1.	To finance the establishment of new showrooms	5,168.50	1,408.75	3,759.75
2.	General corporate purposes	[●]*	[●]*	[●]
	Total	[●]*	[●]*	**[●]**

**To be finalized upon determination of the Issue Price.*

Means of finance

We intend to finance the establishment of 20 new showrooms from the Net Proceeds. Internal accruals will be utilized in the event of shortfall in Net Proceeds towards the objects of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or existing identifiable internal accruals.

Our fund requirements and deployment of the Net Proceeds are based on internal management estimates as per our business plan approved by our Board, and have not been appraised by any bank / financial institution or other independent agency. The estimates are based on current market conditions and are subject to change in light of changes in external circumstances or costs, or in other financial conditions, business or strategy. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

We operate in highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances or costs in our financial condition, business or strategy. Consequently, our fund requirements may also change accordingly. Further, our strategy to enter a particular market or open a showroom at a location is dependent on various factors, including competition, customer preferences in the area and obtaining suitable premises on a lease or leave and license basis at reasonable rentals for such showrooms. Accordingly, we may decide to advance or postpone the opening of one or more showrooms and as a result, our fund requirements may change. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements may be financed through our internal accruals, through cash flow from our operations and/or incremental debt, as required.

Details of the Objects

1. ***To finance establishment of new showrooms***

We intend to deploy ₹ 5,168.50 million for establishing 20 new retail showrooms in 20 cities in different parts of the country in fiscal 2013 and fiscal 2014. The premises for the proposed new showrooms are expected to be taken on lease or on leave and license basis, except for the showroom proposed to be located in Jalandhar, Punjab for which we have purchased land through a sale deed.

Estimated cost of establishment and deployment of funds

The Net Proceeds will be utilized towards capital expenditure including costs relating to interior works of the showrooms and cost of finished products to be stocked in such showrooms; which we expect to be the primary costs to be incurred in setting up of the new showrooms. The estimated cost of establishment of our proposed new showrooms is as follows:

S. No.	**Location**	**Expected period of establishment of showrooms**	**Estimated size of the showroom** *(in sq. ft.)*	**Total estimated capital expenditure*** *(₹ in million)*	**Estimated cost of finished products** *(₹ in million)*	**Total** *(₹ in million)*
1.	Ahmedabad, Gujarat	Fiscal 2013	6,000	27	250	277
2.	Baroda, Gujarat	Fiscal 2013	5,000	22.5	180	202.5
3.	Bhubaneswar, Odisha	Fiscal 2013	5,000	22.5	150	172.5
4.	Coimbatore, Tamil Nadu	Fiscal 2013	8,000	36	180	216
5.	Jabalpur, Madhya Pradesh	Fiscal 2013	4,500	20.25	150	170.25
6.	Nagpur, Maharashtra	Fiscal 2013	5,500	24.75	180	204.75
7.	Sriganganagar, Rajasthan	Fiscal 2013	3,500	15.75	150	165.75
8.	Bangalore, Karnataka	Fiscal 2014	10,000	45	300	345

S. No.	Location	Expected period of establishment of showrooms	Estimated size of the showroom *(in sq. ft.)*	Total estimated capital expenditure* *(₹ in million)*	Estimated cost of finished products *(₹ in million)*	Total *(₹ in million)*
9.	Chennai, Tamil Nadu	Fiscal 2014	10,000	45	400	445
10.	Guwahati, Assam	Fiscal 2014	4,500	20.25	150	170.25
11.	Hyderabad, Andhra Pradesh	Fiscal 2014	8,000	36	250	286
12.	Jaipur, Rajasthan	Fiscal 2014	6,000	27	250	277
13.	Jalandhar, Punjab	Fiscal 2014	10,000	45	200	245
14.	Jammu, Jammu and Kashmir	Fiscal 2014	4,000	18	150	168
15.	Kolkata, Paschim Banga	Fiscal 2014	10,000	45	400	445
16.	Mangalore, Karnataka	Fiscal 2014	7,000	31.5	150	181.5
17.	Mumbai, Maharashtra	Fiscal 2014	10,000	45	500	545
18.	Patna, Bihar	Fiscal 2014	4,500	20.25	180	200.25
19.	Ranchi, Jharkhand	Fiscal 2014	4,500	20.25	150	170.25
20.	Surat, Gujarat	Fiscal 2014	7,000	31.5	250	281.5
	Total			**598.50**	**4,570.00**	**5,168.50**

The estimated cost per square feet of interior work on turnkey basis is ₹ 4,500 as per quotations dated September 15, 2011 and October 12, 2012 provided by PID Projects, Contractors and R.C. Enterprises, Consultants, respectively. See "Methodology for Computation of Estimated Costs – Estimated Capital Expenditure**" below.*

The proposed locations and areas of our new showrooms are based on our business plan in line with our business strategy of expanding through large-format showrooms. As of date, except for the proposed showroom to be located in Jalandhar, Punjab for which we have purchased land through a sale deed, we have neither entered into definitive agreements, nor executed any letters of intent for leasing such showrooms, since we typically enter into such arrangements only a few months prior to the actual establishment of the showrooms.

Methodology for Computation of Estimated Costs

Estimated Capital Expenditure

For the 20 new showrooms that are proposed to be established, we have received quotations dated September 15, 2011 and October 12, 2012 from PID Projects, Contractors and R.C. Enterprises, Consultants, respectively, estimating the cost of interior works of the showrooms on a turnkey basis. The average capital expenditure for establishment of each new showroom is approximately ₹ 4,500 per sq. ft. as per the quotations provided by PID Projects and R.C. Enterprises.

The details of the capital expenditure for establishing a large-format showroom on a per sq. ft. basis are based on the quotations received from PID Projects and R.C. Enterprises. However, we have not entered into any definitive agreement with either PID Projects or R.C. Enterprises with respect to any of the proposed new showrooms and there can be no assurance that either PID Projects or R.C. Enterprises will be engaged to eventually provide the services for these showrooms. If we engage someone other than PID Projects or R.C. Enterprises, such contractor's estimates and actual costs for the services may substantially differ from the current estimates. For further details, see ***"Risk Factors – We have not entered into any definitive agreements to utilize the Net Proceeds and the use of the proceeds of the Issue are based entirely on management estimates and pending such utilization, we may invest in interim investments which may result in financial loss."*** on page 15.

S. No.	Particulars	Cost (in ₹ per sq. ft.)*
1.	Plaster of Paris ("**POP**") - false ceiling plain and design work	150.00
2.	POP running on walls	50.00
3.	Plastic emulsion paint and other paints	200.00
4.	Wood work (Ply board used only ISI marked)	300.00
5.	Korean work as per architect's instructions and as per drawing details	100.00
6.	Composite marble flooring	200.00
7.	Lacquered glass / mirror work as per design	100.00
8.	Glass, sliding doors near lift area	100.00
9.	Electrical / closed circuit television/ data / voice wiring	100.00
10.	Chairs / counters or any loose furniture as per drawing details	100.00
11.	Pantry / toilet work including G & C work	200.00
12.	Light fixtures	400.00
13.	All other allied works to handover the showroom	100.00
14.	Jackson Genset	200.00
15.	Music system	100.00
16.	Chandelier	200.00
17.	Front facade with glasses and wood work	500.00
18.	Civil works	100.00
19.	Strong room with Godrej or Equivalers	300.00
20.	Closed-circuit-television (CCTV) system of Honeywell or equivalent	500.00
21.	Main electrical panel	100.00
22.	Air conditioning	400.00
	Total	**4,500.00**

**This is not inclusive of any taxes.*

Estimated Cost of Finished Products

As part of our business strategy, in order to offer a wide range of jewellery products, we are required to stock all our showrooms with sufficient jewellery. The total value of finished goods in our current showrooms ranges from ₹ 106.39 million to ₹ 761.57 million as on September 30, 2012. Based on our management's internal estimates as per our business plan, the cost of finished products proposed to be stocked in each of our new showroom is estimated to be in the range of ₹ 150 million to ₹ 500 million, taking into account the size, city and location, format of a particular showroom, competition, merchandize mix (based on expected demand and regional preferences) and general demographics of the market. We may stock our showrooms with additional finished products as and when required.

We are in the process of identifying and finalizing the specific locations for our proposed showrooms. We have sought advisory services from Jones Lang Lasalle Property Consultants (India) Private Limited regarding prevailing lease rentals in these locations, as part of our financial and operational analysis of our proposed showroom selection and have received a report dated September 26, 2011, in this regard. We do not propose to pay these rentals from the Net Proceeds. For further details, see "***Our Business***" on page 121.

2. *General Corporate Purposes*

Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, as may be approved by the Board of Directors or any duly authorised committee including:

1. renovation of existing offices and showrooms;
2. strategic initiatives;
3. brand building exercises;

4. strengthening our marketing network and capability;
5. servicing repayment of short term loans; and
6. meeting exigencies.

Issue Expenses

The estimated Issue related expenses are as follows:

(₹ in million)

Activity	Estimated expenses*	As a % of the total estimated Issue expenses	As a % of the total Issue size
Fees payable to the Book Running Lead Managers and the Co-Book Running Lead Manager	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar	[●]	[●]	[●]
Underwriting commission, fees payable to the Bankers to the Issue, brokerage and selling commission, as applicable	[●]	[●]	[●]
Commission payable to the members of the Syndicate and the SCSBs, and processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate and submitted with the SCSBs**	[●]	[●]	[●]
Others (legal fees, IPO Grading expense, listing fees, printing and stationery expenses etc.)	[●]	[●]	[●]
Total estimated Issue expenses	**[●]**	**[●]**	**[●]**

**Will be incorporated at the time of filing of the Prospectus.*
***SCSBs would be entitled to a processing fee of ₹ 20.00 per Bid-cum-Application Form, for processing the Bid-cum-Application Forms procured by the members of the Syndicate and submitted to SCSBs.*

Interim Use of Funds

Our management will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Net Proceeds in interest bearing instruments including investment in money market mutual funds, deposits with banks and other interest bearing securities for the necessary duration. Such investments will be approved by our Board or a committee thereof from time to time. Our Company confirms that pending utilization of the Net Proceeds, it shall not use the funds for any investment in equity or equity linked securities.

Bridge Loan

We have not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

We have appointed IDBI Bank Limited as the Monitoring Agency in relation to the Issue. The Monitoring Agency will monitor the utilization of Net Proceeds and submit its report to us in terms of Regulation 16(2) of SEBI ICDR Regulations.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. We will disclose the utilization of the Net Proceeds under a separate head in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

We will also, under a separate head in our balance sheet, provide details, if any, in relation to all such Net Proceeds that have not been utilized thereby also indicating investments, if any, of such unutilized Net Proceeds.

Further, in accordance with Clause 43A of the Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the utilization of the Net

Proceeds for the objects stated in this Red Herring Prospectus. This information will also be advertised in newspapers simultaneously with the interim or annual financial results of the Company after placing the same before the Audit Committee.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Entities or key managerial employees.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs and the CBRLM, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry.

- Established brand;
- Network of strategically located large-format showrooms;
- Wide product range with an increasing focus on diamond jewellery;
- Extensive manufacturing capabilities;
- Vertically integrated operations and effective operational control processes; and
- Experience of our Promoters and senior management team.

For further details, see "***Our Business - Competitive Strengths***" on page 121.

Quantitative Factors

The information presented below relating to our Company is based on the restated financial statements as of and for fiscal 2012, 2011, and 2010 and as of and for six months ended September 30, 2012 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. For details, see "***Financial Statements***" on page 163. On September 16, 2011, the shareholders of our Company approved a bonus issue of 89,311,000 Equity Shares of ₹ 10 each in the ratio of two equity shares for every one share held on September 16, 2011. All the financials ratios are calculated based on the outstanding Equity Shares after considering such bonus issue.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

- **Basic and Diluted Earnings Per Share ("EPS"), as adjusted for change in capital:**

As per our restated financial statements:

	Basic		Diluted	
Year ended	**EPS (in ₹)**	**Weight**	**EPS (in ₹)**	**Weight**
March 31, 2010	6.45	1	5.28	1
March 31, 2011	11.23	2	11.17	2
March 31, 2012	17.17	3	17.17	3
Weighted Average	**13.40**		**13.19**	
September 30, 2012#	10.60		10.60	

#September 30, 2012 figures are not annualised

Notes:

(1) EPS calculations have been done in accordance with Accounting Standard 20-"Earning per share" issued by the Institute of Chartered Accountants of India.
(2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.

- **Price/Earning (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of ₹ 10 each:**

  a. P/E based on basic and diluted EPS at the lower end of the Price Band is [●]

  b. P/E based on basic and diluted EPS at the higher end of the Price Band is [●]

c. P/E based on basic and diluted EPS as per our restated financial statements for year ended March 31, 2011 is [●]

d. Peer Group* P/E

i. Highest: 42.80
ii. Lowest: 13.49
iii. Industry Composite: 28.15

** Peer Group includes Titan Industries Limited, Tribhovandas Bhimji Zaveri and Gitanjali Gems Limited.*

Source: The P/E figures for the peers is computed based on the closing price on the NSE as on November 02, 2012 divided by Basic EPS (on a standalone basis) based on the annual reports of such companies for the year ended March 31, 2012.

- **Return on Net Worth ("RoNW"):**

As per our restated financial statements:

Year ended	RoNW	Weight
March 31, 2010	0.52	1
March 31, 2011	0.45	2
March 31, 2012	0.41	3
Weighted Average	**0.44**	
September 30, 2012#	0.20	

#September 30, 2012 figures are not annualised

Note: The RoNW has been computed by dividing profit after tax by net worth.

- **Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2011:**

a. At Issue Price: [●]

- **Net Asset Value# ("NAV") per Equity Share of face value ₹ 10 each:**

As per our restated financial statements:

Year ended	NAV per Equity Share	Weight
March 31, 2010	37.86	1
March 31, 2011	72.93	2
March 31, 2012	41.48	3
Weighted Average	**51.36**	
*September 30, 2012**	52.08	
After the Issue	[●]	

 # Net Asset Value per Equity Share represents net worth, as restated, divided by the number of Equity Shares as at year end.
* September 30, 2012 figures are not annualised

- **Comparison with Industry Peers:**

Name of the company	Revenue from operations (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value / Share (₹)
PC Jeweller Limited	30,419.27	10	[●]	17.17#	41#	41.48#
Titan Industries Limited ^	88,383.78	1	42.80	6.76	41.39	16.33
Gitanjali Gems Limited ^	77,554.71	10	13.49	29.43	10.20	277.84
Tribhovandas Bhimji Zaveri Limited ^	13,854.70	10	19.24	11.44	35.84	31.92

Average	**52,553.12**	**16.20**	**32.11**	**81.52**

 # The revenue from operations, EPS, RoNW and NAV figures for our Company are based on the restated financial statements for the year ended March 31, 2012.
^ Source: a) The revenue from operations, face value per equity share and the Basic EPS (on a standalone basis) are based on the respective annual reports for the year ended March 31, 2012.

b) The RoNW (on a standalone basis) and NAV per share (on a standalone basis) for the peers have been computed based on the respective annual reports for the year ended March 31, 2012 as follows:
- Return on Net Worth = Profit after tax/ shareholders' fund (share capital plus reserves and surplus)
- Net Asset Value per share = Shareholder' funds (Share capital plus reserves and surplus)/ paid-up number of shares

c) The P/E figures for the peers is computed based on the closing price on the NSE as on November 02, 2012 divided by EPS (on a standalone basis) based on the respective annual reports for the year ended March 31, 2012.

The peer group above has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that of our business.

The Issue Price of ₹ [●] per Equity Share is [●] times of the face value of ₹ 10 per equity share. The Issue Price has been determined by our Company in consultation with the BRLMs and the CBRLM and on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

The BRLMs and the CBRLM believe that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "***Risk Factors***" and "***Financial Statements***" on pages 14 and 163, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in ***"Risk Factors"*** and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
PC Jeweller Limited (formerly known as PC Jeweller Private Limited)
2708, Bank Street
Karol Bagh
Delhi 110005

Dear Sirs

Subject: Statement of Possible Tax Benefits

We hereby certify that the enclosed annexure states the possible tax benefits available to PC Jeweller Limited ("the Company") and to the shareholders of the Company under the provisions of the Income-tax Act, 1961 and Wealth-tax Act, 1957 (collectively referred to as "Tax Laws"), presently in force in India for the Financial Year ("FY") 2012-13. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company or its shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications arising out of their participation in the proposed public issue of equity shares of the Company particularly in view of ever changing Tax Laws in India.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the Tax Laws. The same shall be subject to notes to this annexure.

This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed pubic issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

per **B. P. Singh**
Partner
Membership No. 70116

Place: New Delhi
Date: November 3, 2012

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

per **Sharad Jain**
Partner
Membership No. 83837

Place: New Delhi
Date: November 3, 2012

TAXATION

The information provided below sets out the possible tax benefits available to the shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

The following is based on the provisions of the Income-tax Act, 1961 ("the Act") as of the date hereof. The Act is amended every fiscal year.

1. Levy of Income Tax

Tax implications under the Act are dependent on the residential status of the tax payer. We summarize herein below the provisions relevant for determination of residential status of a tax payer.

1.1. Residential status of an Individual –

As per the provisions of the Act, an individual is considered to be a resident in India during any FY if he or she is present in India for:

a) a period or periods aggregating to 182 days or more in that FY; or

b) a period or periods aggregating to 60 days or more in that FY and for a period or periods aggregating to 365 days or more within the four preceding years; or

In the case of a citizen of India or a person of Indian origin living abroad who visits India and in the case of a citizen of India who leaves India for the purposes of employment outside India in any previous year, the limit of 60 days under point (b) above, shall be read as 182 days.

Subject to complying with certain prescribed conditions, individuals may be regarded as 'Resident but not ordinarily resident'.

1.2. Residential status of a company –

A company is resident in India if it is formed and incorporated under the Companies Act, 1956 or the control and management of its affairs is situated wholly in India.

1.3. Residential status of a Hindu undivided family ('HUF') firm or AOP –

A HUF, firm or other association of persons or every other person is resident in India except when the control and management of its affairs is situated wholly outside India.

A person who is not a resident in India would be regarded as 'Non-Resident'.

1.4. Scope of taxation

In general, a person who is "resident" in India in a tax year is subject to tax in India on its global income. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or arises or is deemed to accrue or arise to such person in India is subject to tax in India. In the instant case, the income from the equity shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all categories of tax payers irrespective of their residential status unless specifically exempt (e.g. Dividend). However, a relief may be available under applicable Double Taxation Avoidance Agreement ("DTAA") to certain non-residents/ investors.

Tax Considerations

As per the taxation laws in force, the tax benefits / consequences as applicable, to the Company and the perspective shareholders are stated as under. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions:

2. Benefits available to the Company - Under the Act

2.1. Special Tax Benefits

2.1.1 **Section 80-IC of the Act** - In accordance with and subject to the conditions specified under Section 80-IC of the Act, an enterprise or undertaking which has begun or begins to manufacture or produce any article or thing (being an article or thing specified in this respect) before 1 April 2012 is entitled to a deduction of 100% of profits and gains for five Assessment Years ("AY") commencing from the AY relevant to the previous year in which the undertaking or enterprise begins to manufacture or produce articles or things and thereafter 30% for next five AYs. The deduction is available to an enterprise or undertaking which is in any Export Processing Zone or Integrated Infrastructure Development Centre or Industrial Growth Centre or Industrial Estate or Industrial Park or Software Technology Park or Industrial Area or Theme Park as notified by Central Government in the state of Uttaranchal.

The deduction is available subject to fulfillment of conditions prescribed under the said Section.

The Company has two units set up in UPSIDC Industrial Area, Selaqui, Dehradun, Uttaranchal which, as informed to us, are eligible for deduction under Section 80IC of the Act

However, as per Section 115JB of the Act, the Company shall be required to pay Minimum Alternate Tax ("MAT") at the rate of 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on book profits as computed under the said Section, irrespective of the tax benefits available under Section 80-IC of the Act.

2.1.2 **Section 10AA of the Act**- As per the provisions of Section 10AA of the Act and subject to conditions prescribed there under, deduction to the extent of 100% of profits derived from export of manufactured articles or things or services is available for a period of consecutive five AYs beginning with the AY in which the unit in a Special Economic Zone begins to manufacture or produce such article, things or provide services and 50% of such profits and gains for subsequent five AYs. Further, for next five consecutive AYs, deduction is available to the extent of 50% of the profits debited to the Statement of Profit and Loss and credited to Special Economic Zone Re-investment Reserve Account to be created and utilized in specified manner.

The Company has set up two units in NOIDA SEZ which, as informed to us, are eligible for deduction under Section 10AA of the Act.

However, as per Section 115JB of the Act, MAT at the rate of 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on book profit as computed under the said Section, irrespective of the tax benefits available under Section 10AA of the Act.

2.2 General Tax Benefits

2.2.1. As per Section 10(34) of the Act, any income received by the Company by way of dividends on which Dividend Distribution Tax ('DDT') has been paid shall not form part of the total income of the Company and accordingly would be exempt in its hands.

Under Section 14A of the Act, no deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax including dividends exempt under Section 10(34) of the Act. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 ("Rules").

However, the Company would be liable to pay DDT at 15% (plus applicable surcharge and education cess and secondary & higher education cess) on the total amount declared, distributed or paid as dividends. In calculating the amount of dividend on which DDT is payable, dividends (if any, received by the Company during the tax year and subject to fulfillment of the conditions), shall be reduced by:

- dividends received from a subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company); and

- such subsidiary has paid DDT on such dividends under Section 115-O of the Act.

2.2.2. As per Section 10 (35) of the Act, the following income shall be exempt in the hands of the Company:

i) Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or

ii) Income received in respect of the units from the Administrator of the Specified undertaking; or

iii) Income received in respect of units from the specified company.

However, as per the proviso, the above provisions are not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund

2.3 Deductions under "Income from House Property"

2.3.1. Under Section 24(a) of the Act, the Company is eligible for a standard deduction of 30% of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out); where the Company has income chargeable to tax under the head "*Income from House Property*".

2.3.2. Further, under Section 24(b) of the Act, where the house property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income, if any, from such house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or construction.

2.4 Computation of capital gains

2.4.1 Capital assets may be categorized into short-term capital assets and long-term capital assets based on the period for which they are held by a tax payer.

Shares in a company, listed securities or units or zero coupon bonds will be considered as long-term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long-term capital gains". Capital gains arising on sale of these assets held for a period of 12 months or less are considered as "short-term capital gains".

2.4.2 As per Section 10(38) of the Act, capital gains arising from transfer of a long-term capital asset (being an equity share in the Company or a unit of an equity oriented fund), where the transaction of sale is chargeable to Securities Transaction Tax ("STT"), shall be exempt in the hands of the Company.

For this purpose “Equity oriented fund” means a fund –

i) Where the investible funds are invested by way of equity shares in the domestic companies to the extent of more than 65% of the total proceeds of such funds; and

ii) Which has been set up under a scheme of a Mutual fund specified under Section 10(23D).

However, the long-term capital gains arising on sale of share or units as referred above shall not be reduced while calculating the book profit under the provisions of Section 115JB of the Act. In other words, such book profit shall include the long-term capital gain as referred to in Section 10(38) of the Act and the Company will be required to pay MAT @ 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on such book profit.

2.4.3 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains (as defined in para 2.4.1 above), a deduction of indexed cost of acquisition is available. Indexed cost of acquisition means the cost of acquisition multiplied by Cost Inflation Index (“CII”) of the FY in which the asset is transferred and divided by the CII of the FY in which the asset was first held by the tax payer.

2.4.4 As per the provisions of Section 112 of the Act, long-term capital gains (as defined in para 2.4.1 above) [to the extent not exempt under Section 10(38) of the Act] would be subject to tax at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess) and at the rate of 10% on long term capital gains arising from sale of unlisted securities.

However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities or units [to the extent not exempt under Section 10(38) of the Act], calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at the concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

2.4.5 As per the provisions of Section 111A of the Act, short-term capital gains (as defined in para 2.4.1 above) on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

2.4.6 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed ₹ 5,000,000.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets are transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

2.5 Depreciation allowance

2.5.1. Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures and intangible assets such as patent, trademark, copyright, know-how, licenses, or any other business or commercial rights of similar nature if such intangible assets are acquired after 31 March 1998.

2.5.2. As per provision of Section 32(1)(iia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant, subject to fulfillment of following conditions:

i) New asset is acquired and installed after 31 March 2005;

ii) Additional depreciation shall be available on all new plant and machinery acquired other than the following assets:

a) Ships and Aircraft;

b) Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;

c) Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;

d) Any office appliances or road transport vehicles; or

e) Any machinery or plant, the whole of the actual cost of which is allowed as a deduction in computing the income under the head Profits and gains from business and profession for any year.

2.6 Carry forward of unabsorbed depreciation and unabsorbed business losses

2.6.1. Under Section 32(2) of the Act, where full effect cannot be given to any depreciation allowance under Section 32(1) of the Act in any FY, owing to there being no profits or gains chargeable for that FY, or owing to the profits or gains chargeable being less than the depreciation allowance, then, subject to the provisions of Section 72(2) and Section 73(3) of the Act, depreciation allowance or the part of depreciation allowance to which effect has not been given, as the case may be, shall be added to the amount of the depreciation allowance for the following FY and deemed to be part of that depreciation allowance, or if there is no such depreciation allowance for that previous year, be deemed to be the depreciation allowance for that FY, and so on for the succeeding FYs.

2.6.2. Under Section 72(1) of the Act, where for any FY, the net result of the computation under the head "Profits & Gains of Business or Profession" is a loss to the Company (not being a loss sustained in a speculation business), then to the extent to which such loss can be set off against income under any other head of income (other than salary) for the same year, it shall be eligible to be carried forward and available for set off only against income from business under head "Profits & Gains of Business or Profession" for subsequent FYs. As per Section 72(3) of the Act, the loss carried forward can be set off subject to a limit of 8 FYs immediately succeeding the FY for which the loss was first computed. However, as per Section 80 of the Act, only a loss which has been determined in pursuance of a return filed in accordance with the provisions of Section 139(3) of the Act shall be carried forward and set off under Section 72(1) of the Act.

2.7 MAT credit

Under Section 115JAA of the Act, tax credit shall be allowed in respect of MAT paid under Section 115JB of the Act for any AY commencing on 1 April 2006 and any subsequent AY. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. The credit is available for set off only when tax becomes payable under the normal provisions of the Act. The tax credit can be utilized to the extent of difference between the tax under the normal provisions of the Act and tax payable under MAT for that year. Credit in respect of MAT paid for AY 2011-12 and any subsequent AYs shall be available for set-off up to 10 AYs immediately succeeding the AY for which the MAT credit initially arose.

2.8 Amortisation of certain expenditure

2.8.1 Under Section 35D of the Act, a company is eligible for deduction in respect of specified preliminary expenditure incurred by it in connection with extension of its undertaking or in connection with setting up new unit for an amount equal to 1/5th of such expenditure over 5 successive AYs subject to conditions and limits specified in that Section.

2.8.2 Specified expenditure includes expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.

2.8.3 Under Section 35DDA of the Act, the company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that Section.

2.9 Deduction for donations

The Company is entitled to a deduction under Section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that Section, subject to the fulfillment of conditions prescribed therein. Please note that no deduction shall be allowed under Section 80G of the Act for any sum exceeding ₹ 10,000 unless such sum is paid by any mode other than cash.

3. Benefits available to resident shareholders under the Act

3.1. Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income by way of dividends (declared, distributed or paid on or after 1 April 2003) received from a domestic company is exempt in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.
No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to “exempt income” needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

The Company, however, shall be liable to pay DDT on such dividends as discussed in para 2.2.1 above.

3.2. Computation of capital gains

3.2.1. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, deduction of indexed cost of acquisition / improvement is available. Indexed cost of acquisition means the cost of acquisition multiplied by CII of the FY in which the asset is transferred and divided by the CII of the first FY during which the asset was first held by the tax payer.

3.2.2. As per the provisions of Section 111A of the Act, short-term capital gains (as defined in para 2.4.1 above) on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess). Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

3.2.3. As per the provisions of Section 112 of the Act, long-term capital gains (as defined in para 2.4.1 above) [to the extent not exempt under Section 10(38) of the Act] would be subject to tax at the rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess) and at the rate of 10% on long term capital gains arising from sale of unlisted securities.

However, as per the proviso to Section 112(1) [to the extent not exempt under Section 10(38) of the Act], if the tax on long-term capital gains resulting from transfer of listed securities or units, calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at a concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary and higher education cess) without allowance of indexation benefit.

3.3. Capital gains - not subject to Income - tax

3.3.1. According to Section 10(38) of the Act, long-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be exempt from tax. However, in case of a shareholder being a company, gains arising from transfer of above referred long-term capital asset shall be taken into account for computing the book profit for the purposes of computation of MAT under Section 115JB of the Act.

3.3.2. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company would be exempt from tax if such capital gains are invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

3.3.3. As per provision of Section 54F of the Act, long term capital gains [in case not covered under Section 10(38)] arising from the transfer of any capital asset (not being residential house property) held by an Individual or Hindu Undivided Family (“HUF”) will be exempt from tax, if net consideration is utilised, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years.

3.4. Income from Business Profits

Where the equity shares form a part of stock-in-trade of shareholder, any income realized from disposition of the equity shares would be chargeable under the head "profit and gains of business or profession" as per the provisions of the Act. The nature of the equity shares held by the shareholder (i.e. whether held as 'investment' or as 'stock-in-trade') is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding period.

As per Section 36(xv) of the Act, an amount equal to the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

3.5. Income from other sources

3.5.1. Section 56(2)(vii)

With effect from 1 October 2009, where any property, other than immovable property (including shares) is received by an individual/ HUF: -

i) without consideration and the aggregate fair market value of such property exceeds ₹ 50,000, or

ii) for a consideration which is less than the aggregate fair market value of such property by at least ₹ 50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources.

This provision is applicable only if shares are held by the shareholders as a capital asset.

This provision is not applicable where shares are received in any of the following modes, namely –

1) From any relative;

2) On the occasion of marriage of the individual;

3) Under a will or by way of inheritance;

4) In contemplation of death of the payer or donor;

5) From any local authority as defined in Explanation to Section 10(20);

6) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C); or

7) From any trust or institution registered under Section 12AA.

3.5.2. Section 56(2)(viia)

Where any property, being shares of a company in which public is substantially interested is received by a firm or a company (not being a company in which public is substantially interested on or after 1 June 2010:-

i) without consideration and the aggregate fair market value of such property exceeds ₹ 50,000, or

ii) for a consideration which is less than the aggregate fair market value of such property by at least ₹ 50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources.

However, as per the proviso, the above clause is not applicable to any such property received by way of a transaction not regarded as transfer under clause (via) or (vic) or (vicb) or (vid) or (vii) of Section 47.

3.5.3. Section 56(2)(viib)

With effect from 1 April 2012, a company in which public is substantially interested, received any consideration for issue of shares, from a resident person, which is less than the face value of such shares, then the difference between face value and consideration paid will be taxable as income from other sources.

However, the above provisions are not applied in case where consideration for issue of shares is received:

i) by a venture undertaking from a venture capital company or a venture capital fund; or
ii) by a company from a class or classes of persons as notified by Central Government.

4. Benefits available to Non-resident shareholder (Other than Foreign Institutional Investors) under the Act

4.1. Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income by way of dividends (declared, distributed or paid on or after 1 April 2003) received from a domestic company is exempt in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to "exempt income" needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

The Company, however, shall be liable to pay DDT on such dividends as discussed in para 2.2.1 above.

4.2. Computation of capital gains

4.2.1. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company are exempt from tax, where the transaction of sale is chargeable to STT . However, in case of shareholder being a company and liable to MAT in India, profits on transfer of above referred long term capital asset shall not be reduced in computing the "book profit" for the purposes of computation of MAT under Section 115 JB of the Act

4.2.2. Section 48 of the Act contains special provisions relating to computation of capital gains, in the hands of non-residents arising from transfer of shares of an Indian company which were purchased in foreign currency. Computation of capital gains has to be done by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same currency that was initially used to acquire such shares. The capital gain (i.e. sale proceeds less cost of acquisition) computed in the original foreign currency is then converted into Indian Rupees at the prevailing exchange rate. Non-resident shareholders are not entitled to indexation benefit (for a detailed discussion on indexation, refer para 2.4.3 above).

4.2.3. As per the provisions of Section 112 of the Act, long-term capital gains (as defined in para 2.4.1 above) [to the extent not exempt under Section 10(38) of the Act] would be subject to tax at a rate of 20% (plus applicable surcharge, education cess and secondary & higher education cess) and at the rate of 10% on long term capital gains arising from sale of unlisted securities.

However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting on transfer from listed/ unlisted securities or units [to the extent not exempt under Section 10(38) of the

Act], calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at a concessional rate of 10% (without indexation benefit) (plus applicable surcharge, education cess and secondary & higher education cess).

4.2.4. As per the provisions of Section 111A of the Act, short-term capital gains (as defined in para 2.4.1 above) on sale of equity shares, where the transaction of sale is chargeable to STT, shall be subject to tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess), in addition to the other requirements, as specified in the Section. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

4.3. Capital gains- not subject to Income- tax

4.3.1. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

4.3.2. As per provision of Section 54F of the Act, long term capital gains (as defined in para 2.4.1 above) [not being long term capital gains covered under Section 10(38) of the Act] arising from transfer of the any capital asset (not being residential house property) held by an Individual or HUF will be exempt from tax, if net consideration is utilised, within a period of one year before or two year after the date of transfer, for purchase of a residential house, or for construction of a residential house within three years.

4.4. Special benefit available to Non-resident Indian shareholders

In addition to some of the general benefits available to non-resident shareholders, where equity shares of the Company have been subscribed by Non-Resident Indians (“NRI”) i.e. an individual being a citizen of India or person of Indian origin who is not a resident, in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XIIA of the Act, which *inter alia* entitles them to the following benefits:

4.4.1. In accordance with Section 115E of the Act, income from investment or income from long- term capital gains on transfer of assets other than specified asset (including shares of an Indian company) shall be taxable at the rate of 20% in the hands of a NRI. Income by way of long term capital gains in respect of a specified asset [as defined in Section 115C (f) of the Act], shall be chargeable to income-tax at 10%.

4.4.2. Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the whole or any part of the net consideration is reinvested in any specified assets within six months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as “capital gains” subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

4.4.3. As per the provisions of Section 115G of the Act, NRIs are not required to file a return of income under Section 139(1) of the Act, if the income chargeable under the Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.

4.4.4. As per the provision of Section 115H of the Act, where a person who is NRI in any previous year, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified under sub clause (ii), (iii), (iv) or (v) of Section 115(C)(f) for that AY and for every subsequent AY until there is transfer or conversion of such asset. For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India.

4.4.5. In accordance with Section 115I of the Act, where a NRI opts not to be governed by the provisions of Chapter XII-A for any AY, his total income for that AY (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

4.5. Taxability as per DTAA

4.5.1. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of Section 90(2) of the Act, the provision of the DTAA would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident.

4.5.2. As per the amendment introduced by Finance Act, 2012, Section 90(4) has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

In other words, the tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate (containing particulars as may be prescribed) from the Government of the country of residence of such non-resident tax payer.

5. Benefits available to Foreign Institutional Investors (“FIIs”) under the Act

5.1. Dividends exempt under Section 10(34) of the Act

Under Section 10(34) of the Act, any income by way of dividends (declared, distributed or paid on or after 1 April 2003) received from a domestic company is exempt in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to “exempt income” needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

The Company, however, shall be liable to pay DDT on such dividends as discussed in para 2.2.1 above.

5.2. Taxability of capital gains

5.2.1. As per the provisions of Section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under Section 10(38) of the Act at the rates as follows:

Nature of income	*Rate of tax (%)*
Long term capital gain	10
Short term capital gain	30

The above tax rates would be increased by the applicable surcharge, if tax payer is a foreign company whose total income under the Act exceeds rupees one crore, education cess and secondary & higher education cess.

The benefits of indexation provided by Section 48 of the Act (for discussion on indexation, refer para 2.4.3 above) and foreign currency fluctuation protection as of the Act are not available to an FII.

5.2.2. According to Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess) in addition to the other requirements, as specified in the Section.

5.3. Capital gains- not subject to Income- tax

5.3.1. Under Section 10(38) of the Act, long term capital gains (as defined in para 2.4.1 above) arising to a shareholder on transfer of equity shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, since capital gains derived by a foreign company are subject to MAT in India, long term capital gain so earned would be required to be taken into account in computing the book profit for the purpose of computation of MAT under Section 115JB of the Act (for discussion on MAT, refer para 2.7 above).

5.3.2. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any FY cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

As long term capital gains covered under Section 10(38) of the Act are exempt from tax, there is no requirement to invest under Section 54EC of the Act in such cases.

5.4. Income from Business Profits

Where the equity shares form a part of its stock-in-trade, any income realized in the disposition of the equity shares will be chargeable under the head "profit and gains of business or profession", taxable in accordance with the DTAAs between India and the country of tax residence of the FII read with the Act. The nature of the equity shares held by the FII is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding.

If the income realised from the disposition of equity shares is chargeable to tax in India under the head "Profits and gains of business or profession", as per Section 36(xv) of the Act, an amount equal to the STT paid by the tax payer in respect of the taxable securities transactions entered into in the course of his business during the previous year, is permitted as a deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

Business profits, if taxable in India, may be subject to tax at the rate of 40% (plus applicable surcharge, education cess and secondary & higher education cess).

5.5. Taxability as per DTAA

5.5.1. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of Section 90(2) of the Act, the provision of the Act would prevail over the provisions of the DTAA to the extent they are more beneficial to the non-resident.

5.5.2. As per the amendments introduced by the Finance Act, 2012, Section 90(4) has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

5.6. Benefits available to Mutual Funds under the Act

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India would be exempt from income-tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

6. Benefits available to Venture Capital Companies/Funds

6.1. Under Section 10(23FB) of the Act, any income of Venture Capital Companies/Funds (set up to raise funds for investment in venture capital undertaking) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. 'Venture capital undertaking' means a venture capital undertaking referred to in the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992.

6.2. As per Section 115U of the Act, any income accruing/ arising/ received by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.

6.3. Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the Venture Capital Company/ Funds from investments made in a Venture Capital Undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

7. DTAA benefits

7.1. As per the provisions of Section 90(2) of the Act, an investor has an option to be governed by the provisions of the Act or the provisions of a DTAA that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

7.2. As per the amendments introduced by the Finance Act, 2012, Section 90(4) has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

8. Benefits available under the Wealth-tax Act, 1957

Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

9. Benefits available under the Gift-tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after 1 October 1998. However as per the provisions of Section 56(2)(viia) of the Act, a tax liability would arise where the shares of a company are gifted by any person(s) to a firm or a company in which the public is not substantially interested in the hands of such recipient of shares (for detailed discussion, refer para 3.5 above).

10. Loss under the head 'Capital Gains'

In general terms, loss arising from transfer of a capital asset in India can only be set off against capital gains. Long term capital loss arising on sale of equity shares not subjected to STT during a year is allowed to be set-off only against long term capital gains. A short term capital loss can be set off against capital gains whether short term or long term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of 8 years immediately succeeding the year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent years. In order to set off a capital loss as above, the investor (resident/ non- resident) is required to file appropriate and timely income-tax returns in India.

Notes:

1) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

2) The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current Tax Laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws;

3) This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

4) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between

India and the country/specified territory (outside India) in which the non-resident has fiscal domicile ;and

5) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

6) The tax rates (including rates for tax deduction at source) mentioned in this Statement are applicable for AY 2013-14 and are exclusive of surcharge and education cess. Surcharge @ 5% is applicable in case of resident companies where total income under the Act exceeds Rs 1 crore. In case of foreign companies, surcharge @2% is applicable in case the total income exceeds Rs 1 crore.

7) We have not considered the provisions of Direct Tax Code Bill 2010 for the purpose of this Statement.

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

per **B. P. Singh**
Partner
Membership No. 70116

Place: New Delhi
Date: November 3, 2012

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

per **Sharad Jain**
Partner
Membership No. 83837

Place: New Delhi
Date: November 3, 2012

SECTION IV- ABOUT US

INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. In particular we have relied on "Report on Indian Gems and Jewellery Industry" issued by CARE Research on October 22, 2012 (the "**CARE Report**"). The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. The average exchange rate used in this section for fiscal 2012 data is ₹ 47.81 for one U.S. Dollar and the average exchange rate for fiscal 2014 estimates have been assumed to be ₹ 50.0 for one U.S. Dollar. (Source: CARE Research)*

The Global Economy

The global economy is projected to grow at a lower rate of 3.3% in calendar year 2012, in comparison with the growth rate of 3.8% in calendar year 2011 *(Source: International Monetary Fund, World Economic Outlook, October 2012 Update).* The lower growth rate is due to the factors such as the European debt crisis and US recessionary fears. The European debt crisis escalated sharply all over the global economy. The growth in emerging and developing economies slowed down considerably due to more than expected effect of the macroeconomic policy tightening. Global output is projected to expand by 3.3% and 3.6% in calendar year 2012 and 2013, respectively. In both the calendar years 2012 and 2013, growth in emerging and developing economies is expected to remain sluggish at 5.3% and 5.6%, respectively, from 6.2% in the calendar year 2011. *(Source: International Monetary Fund, World Economic Outlook, October 2012 Update).*

The Indian Economy

India's GDP at constant prices in the calendar year 2012 is estimated to reach ₹ 58,003.97 billion showing a growth rate of 4.9% compared to the calendar year 2011. Further, India's GDP at constant prices is estimated to reach ₹ 74,611.10 billion by the calendar year 2016. (*Source: International Monetary Fund, World Economic Outlook Database, October 2012 Update)* India's GDP is projected to grow at a rate of 4.9% in the calendar year 2012 and at the rate of 6.0% in the calendar year 2013. The Indian economy is projected to emerge as one of the largest economies in the world in the next decade with an estimated GDP (at current prices) of ₹97,699.84 billion (approximately US$1,946.77 billion) in calendar year 2012 *(Source: International Monetary Fund, World Economic Outlook Database, October 2012 Update).*

Global Gems and Jewellery Industry

Global gems and jewellery sales are estimated to grow at a CAGR of 4% during 2011-2015 to touch US$230 billion by calendar year 2015. Gold and diamond jewellery are expected to continue to be the most important products, constituting approximately 82% of the gems and jewellery market by calendar year 2015. (*Source: CARE Report)* The U.S. is currently the largest jewellery retail market in the world while India and China together are expected to emerge as a market equivalent to the U.S. market by calendar year 2015. (*Source: CARE Report)*

According to the CARE Report, the U.S. accounts for 29% of the world's gems and jewellery market. The U.S. is followed by China, India, the Middle East and Japan as the largest consumers of jewellery. In western Europe, the U.K. and Italy are the largest consumers, and Italy is also one of the world's largest jewellery fabrication centres.

Demand for Jewellery

The growth in demand for diamond-studded jewellery has been due to the inherent value of diamonds, strong economic growth in key diamond jewellery consuming nations and marketing efforts from diamond companies. Moreover, according to the CARE Report, while demand for jewellery in the U.S. has recovered somewhat since the economic crisis in 2008 and 2009, demand has not reached pre-crisis levels and the focus for future growth in the global jewellery industry depends on emerging markets such as India and China. These countries are expected to develop as the largest consuming markets for both traditional as well as branded jewellery.

Supply of Diamonds

According to the CARE Report, global production of rough diamonds reached 123.99 million carats in calendar year 2011, valued at US$14.41 billion with a global average value per carat of US$116.2. This represents a decline of 3.4% in the production over the previous year.

The table below sets forth certain information on the global diamond production between 2005 and 2011:

Total World Rough Diamond Production (Calender Year)	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Million Carats	176.7	176.03	168.2	162.9	120.22	128.32	123.99
USD billion	11.6	12.13	12.11	12.73	8.26	11.39	14.41
US$/Carat	65.6	68.9	72.0	78.1	68.7	88.8	116.2
Source: CARE Report							

The top four diamond producers accounted for approximately 70% of total mined diamond production in calendar year 2011 (volume-share). In the calendar year 2011, the Russian Federation has emerged as the world's largest rough diamond producers by 0.8% to 35.1 million carats followed by Botswana which produced 22.9 million carats with an increase of 4% from the previous year. *(Source: CARE Report)* According to the CARE Report, the diamond industry has been struggling as the major mines in the top producing countries have begun to age and the recent economic crisis in the Eurozone has further had a negative impact on the demand for diamonds.

Although the rough diamond prices had increased considerably after the economic recession in 2008-09, the rough diamond prices are estimated to have reduced by 4% - 5% from January 2012 and until now. Large diamond players such as De Beers and ALROSA have also reduced their rough diamond supplies but have despite the tightened liquidity in the manufacturing sector. CARE Research expects that the rough diamond supply is not going to increase drastically over the next couple of years and that there will be a correction in the rough diamond prices by 10% -15% in fiscal 2013.

There has also been a slowdown in the demand of polished diamonds and in the first half of the calendar year 2011, although the prices of polished diamonds of 1 carat increased by 30% to 40% during this period. However, the prices declined by 10% - 12% during the second half of the calendar 2011 and have continued to decline by 3% - 4% in the first half of the calendar year 2012.

Supply of Gold

Global production of gold through primary mining increased by a CAGR of 8.7% during the calendar year 2007 to 2011. The top four gold producers accounted for approximately 20%-25%% of total mined production in the calendar year 2011. A large portion of the gold used in the jewellery industry is sourced from recycled gold. 2011 saw a decline of approximately 3.12% in the amount of gold being produced from recycling compared to the previous year. (*Source: CARE Report)*

In addition, the global gold jewellery demand declined by 5% in terms of volume, however, increased by 18% in the terms of value in fiscal 2012 compared to fiscal 2011. (*Source: CARE Report)*

The table below sets out the global gold demand and supply in tonnes:

Global Gold Demand and Supply						
						(tonnes)
Calendar Year		**2007**	**2008**	**2009**	**2010**	**2011**
Supply	Total Mine Supply	2,031.0	2,060.0	2,332.1	2,631.6	2,832.1
	Recycled Gold	956.0	1,217.0	1,672.2	1,718.9	1,665.2
	Total Supply	**3,471.0**	**3,513.0**	**4,034.0**	**4,350.5**	**4,497.3**

Demand	Jewellery	2,405.0	2,187.0	1,760.3	2,016.8	1,973.9
	Technology	462.0	436.0	373.2	465.6	452.7
	Bar and coins	446.0	649.0	742.8	1,200.9	1,504.6
	ETFs and others	253.0	321.0	617.1	382.2	185.1
	Total Demand	**3,552.0**	**3,089.0**	**3,493.4**	**4,142.8**	**4,574.3**
Source: CARE Report						

Global Gems and Jewellery Value Chain Analysis

- Diamond Industry Value Chain:

Exploration →	**Production** →	**Sales of Rough Diamonds**
• Economically viable diamond resources are explored. • Major explorers: Alrosa, De Beers, Rio Tinto, BHP Billiton. • Commercial production may take 6-10 years. • Probability of finding commercially viable diamond mine is only 2-3%. • Exploration spends were substantially reduced after 2008-09 economic crisis.	• Contains stages like excavation of ore, processing and extraction. • As the industry is controlled by a few large players, this stage enjoys highest margins (20-25%) in the Diamond value chain. • Primary diamond-producing regions include Russia, Botswana, Canada, South Africa, Australia, Angola, Namibia etc.	• Rough diamonds are traded through spot sales auctions or long-term contracts. • Different companies follow different mix of spot or long-term contracts. • Rough diamond sales picked up post-recession and prices rose sharply

Cutting & Polishing →	**Sales of Polished Diamond** →	**Jewellery Manufacturing** →	**Jewellery Retailing and Branding**
• This stage requires skilled manpower. • Rough diamonds lose 50-60% of their weight during C&P. • Asian countries like India, China, Sri Lanka etc dominate the C&P segment on account of considerably cheaper labour. • India is the largest C&P hub as the labour costs are almost 1/10th that in U.S. • C&P industry is extremely fragmented.	• Polished diamond prices depend upon consumer demand. • Prices of polished diamonds are more stable than those of rough diamonds. • Hong Kong and Las Vegas hold large exhibitions.	• More than half of jewellery manufacturing is concentrated in India and China due to lower labour costs, with 80% of the small jewellers situated in this part of Asia. • High-end jewellery manufacturing is controlled by the organised players like Tiffany, Richemont etc.	• U.S. remains the largest market for diamond-studded jewellery though the diamond jewellery is fast catching with gold in countries like India and China.

(Source: CARE Report)

- Gold Industry Value Chain:

Gold Mining →	**Fabrication** →	**Jewellery Manufacturing** →	**Jewellery Retailing**
• Categories of gold	• Fabrication involves	• India has well-	• Jewellery retailing in

mining: Placer mining, hard rock mining, by-product mining and by processing gold ore. • Building a gold mine may take 1-5 yrs depending upon factors like accessibility of the mine.	purification of gold and converting into bars. • India dominates in fabrication after Italy and China. • U.S. has started outsourcing its fabrication work to India and China.	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 • Jewellers are focussing on moving up the value chain, from being polisher of rough diamonds to jewellery manufacturers.	India is undergoing slow transformation from a largely unorganized sector to more organized one. • Family owned jewellery stores are the predominant retail formats. • New formats such as boutiques, supermarkets and gold souks are emerging as organized jewellery retail formats.

(Source: CARE Report)

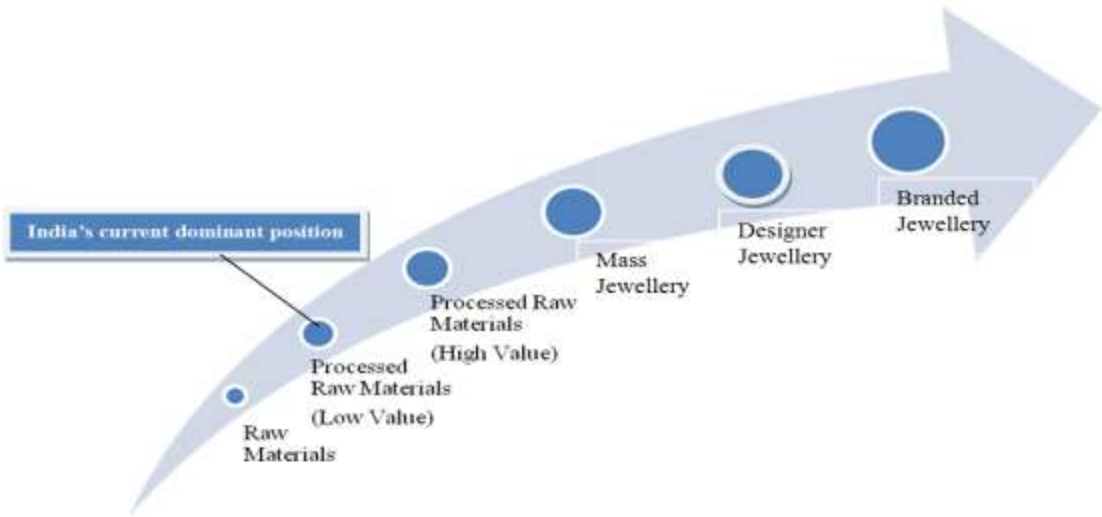
Indian Gems and Jewellery Industry

History

The Indian gems and jewellery industry can be classified into various segments: cut and polished diamonds, gemstones, gold and diamond jewellery, pearl and synthetic stones and others. However, the two major industry segments in India are gold and diamond jewellery. India also dominates the diamond processing trade with 11 out of 12 diamonds being cut and polished in India. India is the largest consumer of gold in the world. The industry accounted for approximately 14.1% of India's export revenue in fiscal 2012 and provides employment to approximately 3.5 million people directly and indirectly. (*Source: CARE Report*)

The Indian gems and jewellery industry is one of the most competitive markets due to the low cost of production and highly skilled labour internationally. According to the CARE Report, the Indian gems and jewellery export industry, has the potential to grow from the US$42.83 billion in fiscal 2012 to US$47 - 48 billion by fiscal 2014 while the domestic gems and jewellery industry has the potential to grow from an estimated US$45.3 billion (₹2,165.9 billion) (of which gold jewellery (including recycled gold) constitutes around US$ 36.0-38.0 billion (₹1,721-1,817 billion), (i.e. approximately 80%-85%) while the remaining constitutes diamond and others) in fiscal 2012 to US$60 billion (₹ 3,000 billion) (of which gold jewellery will constitute around 75%-80% while the remaining will be diamond and others) by fiscal 2014 at a CAGR of 14% -15%, in particular the organized sector is expected to increase by over 30% during the same period.

According to the CARE Report, India's current dominant position lies in low value processed raw materials, as depicted on the *Gems and Jewellery Value Addition Ladder* below:



(*Source: CARE Report*)

Being in this position also shows that India has an opportunity to move up and be present across all the points in the value addition chain. Doing so is expected to generate the next wave of growth and profitability as India consolidates its position in low-value gem processing and captures a greater share of high-value gem processing and jewellery-making. This move is also important as other low cost countries, such as China, are competing for dominance in this market.

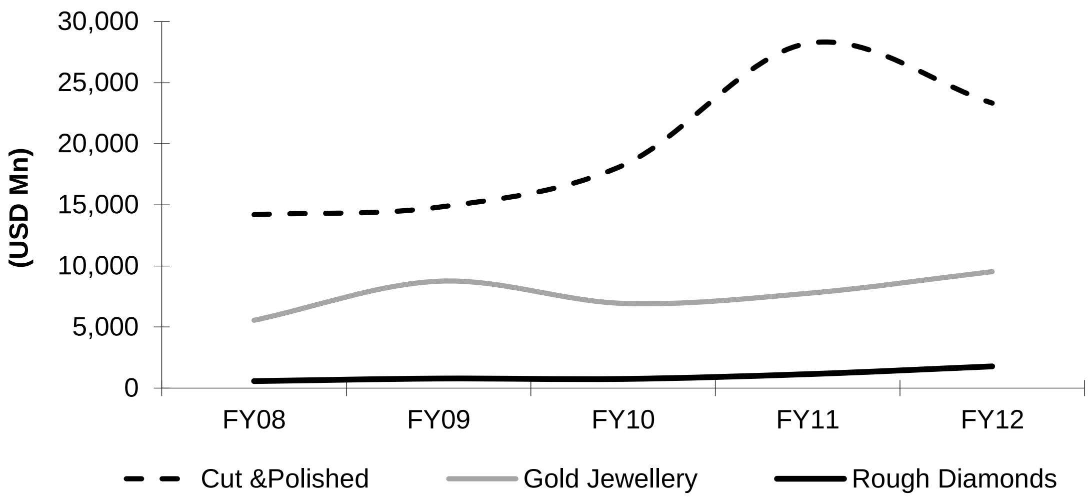
Exports

As one of India's leading foreign exchange sectors, the performance of the Indian gems and jewellery industry is critical as it contributed approximately 14.1% of India's total exports earnings in fiscal 2012. In fiscal 2012, the Indian gems and jewellery exports marginally declined by 0.72%, in USD terms, to US$42.83 billion (₹2,048.24 billion) due to a 17.42% decrease in the exports of cut and polished diamonds in fiscal 2012 on account of the reduced demand from western countries, such as United States and Europe. In fiscal 2012, the Indian gems and jewellery exports witnessed a year-on-year growth of 6.94% (in ₹ terms), particularly due to a year-on-year 28.18% increase in the exports of gold jewellery (in US$ terms). The CARE Research expects the total gems and jewellery exports to grow at a rate of 2%-3% during fiscal 2013 to US$44 billion and at a moderate rate of 8%-9% to reach US$47- 48 billion by fiscal 2014. The exports for the cut and polished diamonds are expected to decline by 25%-30% in fiscal 2013 to US$17-18 billion on account of the reduced global demand. However, the gold jewellery exports are expected to grow by 35% -40% to reach US$23-25 billion and the CARE Research believes that domestic demand may be impacted given the on-going debt crisis in the United States and European Union, economic uncertainty, rising unemployment, record high gold prices all of which will limit demand for gems and jewellery products. *(Source: CARE Report)*

In fiscal 2012, the cut and polished diamonds represented 54.46% of total gems and jewellery exports while gold jewellery including coins and medallion represented approximately 38.56% of the total gems and jewellery exports. The table below provides the breakdown of the gems and jewellery exports from India from fiscal 2008 to fiscal 2012:

Gems and Jewellery Exports in India	**Fiscal 2008**	**Fiscal 2009**	**Fiscal 2010**	**Fiscal 2011**	**Fiscal 2012**
					(US$ million)
Cut &Polished Diamonds	14,194	14,805	18,238	28,218	23,330
Gold Jewellery	5,546	8,746	6,931	7,753	9,528
Rough Diamonds	567	776	744	1,137	1,772
(Source: CARE Report)					

In addition, the graph below shows the demand and trend in India's diamond and gold jewellery exports from fiscal 2008 to fiscal 2012:

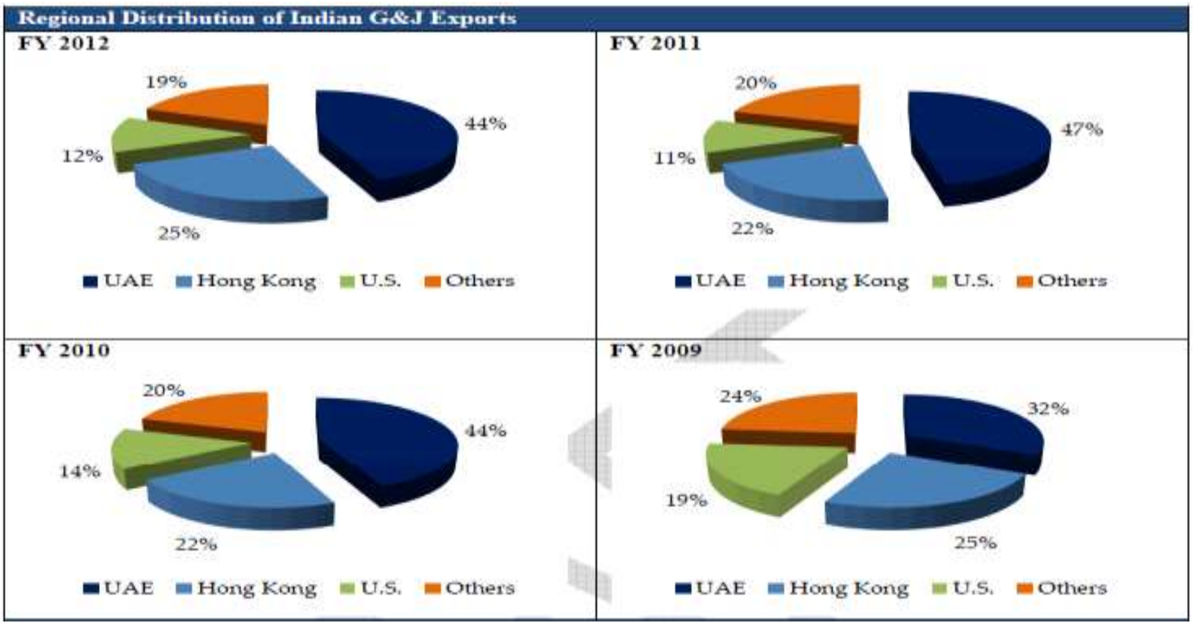


The tables below show the breakdown of the various categories of gem and jewellery products exported from India and the breakdown of the various destinations for Indian gem and jewellery exports:

Export of Gems and Jewellery - Segment wise		**Fiscal 07-08**	**Fiscal 08-09**	**Fiscal 09-10**	**Fiscal 10-11**	**Fiscal 11-12**
						₹ Billion
Total Cut and Polished Diamond		571.59	587.92	861.26	1,286.72	1,109.78
Gold Jewellery & Medallions		223.79	309.58	458.02	586.68	794.30
Coloured Gemstones		11.12	11.98	13.58	14.34	16.53
Pearls		0.16	0.17	0.16	0.19	0.17
Non-Gold Jewellery		9.21	8.72	19.52	25.62	36.80
Synthetic Stones		0.05	0.05	0.07	0.64	11.81
Costume/Fashion Jewellery		0.22	0.41	0.73	NA	NA
Sales to Foreign Tourists		2.88	2.52	1.97	NA	NA
Rough Diamonds		22.80	34.75	35.25	1.21	85.14
Total		**841.82**	**956.10**	**1,390.56**	**1,915.40**	**2,048.24**
Source: CARE Report						

In fiscal 2012, the UAE was the largest exporting destination with 44% of exports, followed by Hong Kong with 25% and the U.S. with 12% of exports. *(Source: CARE Report)*

The graph below shows the largest exporting destinations of India's gems and jewellery from fiscal 2009 to fiscal 2012:



(Source: CARE Report)

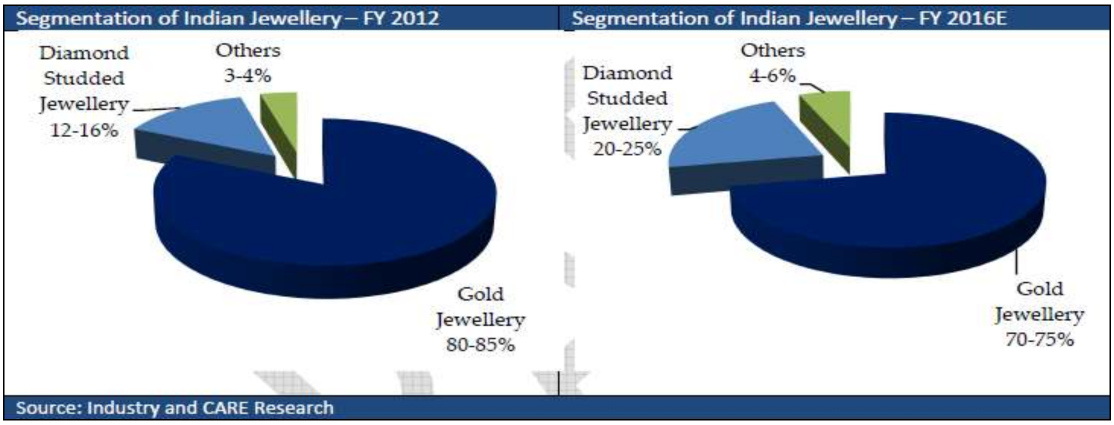
The exports of cut and polished diamonds declined by 13.8% from ₹ 1,286.72 billion in fiscal 2011 to ₹ 1,109.78 billion in fiscal 2012. Cut and polished diamonds accounted for 54.46% of the total exports basket with gold jewellery including coins and medallion represented approximately 38.56% of total gold and jewellery exports.

Gold jewellery exports have also been on the rise with the figures accounting for a 35.4% increase in fiscal 2012 compared to fiscal 2011. The export of gold jewellery grew from ₹ 586.68 billion in fiscal 2011 to ₹ 794.30

billion in fiscal 2012. Colored gemstone exports also increased by 15.3% in fiscal 2012 with the sector witnessing a rise from ₹ 14.34 billion in fiscal 2011 to ₹ 16.53 billion in fiscal 2012.

Domestic Demand

According to CARE Report, the total domestic jewellery industry size is estimated to be around US$45.3 billion (₹2,165.9 billion) in fiscal 2012 and the gold sales are estimated to be about 80%-85% share of the domestic jewellery market. By fiscal 2014, CARE Research expects the annual value of India's domestic gems and jewellery industry to rise to US$60 billion (₹ 3,000 billion). Currently the domestic gems and jewellery market is fragmented across the value chain. There are approximately 450,000 unorganised players across the gems and jewellery sector who operate on small margins. The organized market accounts for approximately 5%-6% of the jewellery retail market, if the national level players in the organized market are considered whereas the organized market accounts for approximately 16%-18% of the jewellery retail market, in the event the regional players are also included. The CARE Research expects that the organized jewellery retail market in India is expected to grow more than 30% in the next couple of years given the changing lifestyle and urbanization, inclination towards online buying backed by strategic marketing from the diamond companies. (*Source: CARE Report*)



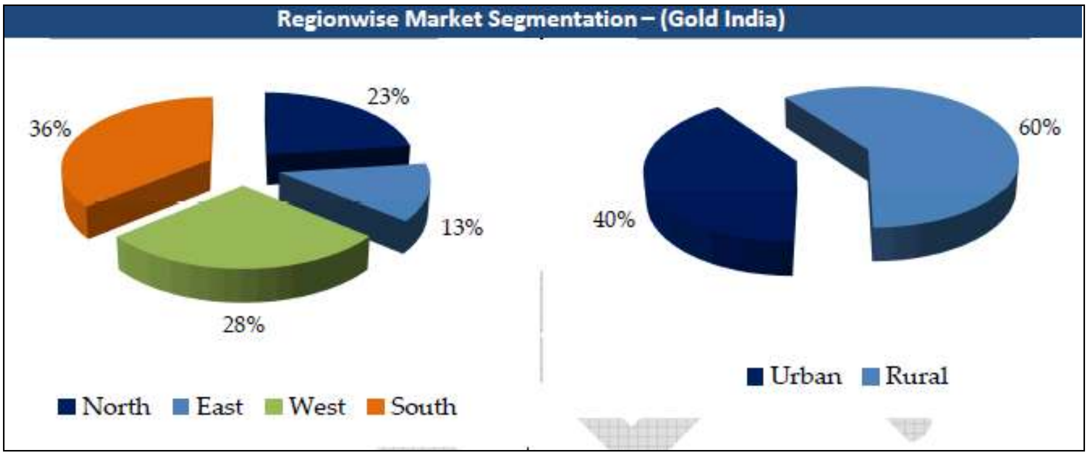
(Source: CARE Report)

(a) Domestic demand for gold jewellery:

Traditionally gold jewellery has been an important part of Indian culture. The demand for gold jewellery is driven by festivals and wedding ceremonies. In marriages, gold jewellery is a preferred gift given by the family of the bride and the groom. About 60% of the Indian jewellery market is contributed by rural India. Gold jewellery is popular among farmers and an upsurge in gold demand is typically seen after a good harvest season. Apart from its cultural and social significance, gold is also valued as an important saving and investment vehicle in India, second only to bank deposits. The people in rural India have few saving options and therefore invest their money in gold given that gold is highly portable, holds its value well in times of uncertainty and can be easily converted to cash either through sale or for loan guarantees. More importantly, it has been observed that gold acts as a natural hedge against inflation. In fiscal 2012, the domestic demand for gold jewellery is estimated to be approximately 80%-85% of the domestic Indian jewellery market while the remaining comprises diamond jewellery and other studded jewellery.

Buying gold or gold jewellery is a common saving strategy for Indian households. Demand for gold is well distributed across the country and states like Kerala, Maharashtra, Gujarat, and Uttar Pradesh are some of the major demand centres. In fiscal 2012, the southern states like Kerala, Andhra Pradesh, Tamil Nadu, and Karnataka accounted for nearly 36% of the country's total gold demand, which is followed by the Western region with about 28%, Northern region with about 23% and Eastern region with about 13%. (*Source: CARE Report*)

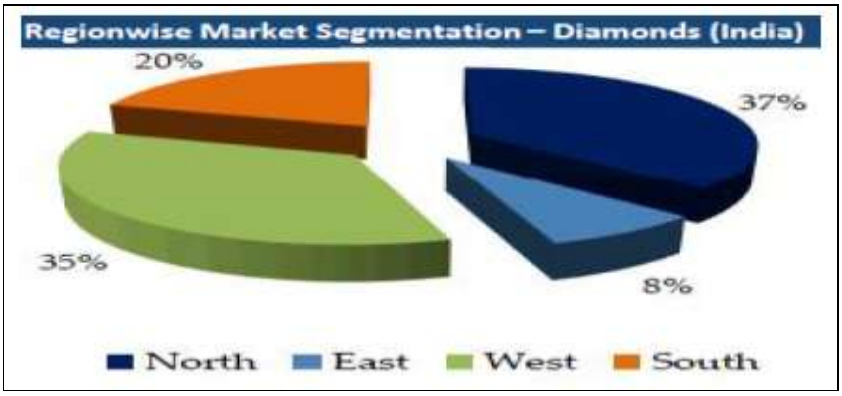
The chart below sets out the demand for gold across the various regions of India and particularly, within the urban and rural areas in fiscal 2012:



(Source: CARE Report)

(b) Domestic demand for diamond jewellery:

The demand for diamond jewellery in India has not only increased due to the changes in consumer preferences and rising the income levels but also due to the increase in gold prices and increasing cost effectiveness of diamonds as India is a low cost diamond processing hub. With consumer sentiments remaining subdued in global markets for diamonds, especially in the U.S. and Europe, manufacturers have now focused in on the ever-growing demand from the Indian market. Diamond demand in India remains higher in the Northern and Western regions as compared to the Southern and Eastern regions for a number of reasons including traditional, cultural and investment-related factors. In fiscal 2012, the northern states accounted for nearly 37% of India's total gold demand, which is followed by the Western region with about 35%, Southern region with about 20% and Eastern region with about 8%. *(Source: CARE Report).*



(Source: CARE Report)

The CARE Research expects that the increasing popularity of diamond in India, particularly in the urban areas, will lead to a considerable increase in the share of the diamond studded jewellery from 12%-16% in fiscal 2012 to 20%-25% in fiscal 2016 of the Indian gems and jewellery market. (*Source: CARE Report*)

Domestic Jewellery Manufacturing

Jewellery manufacturing, diamond polishing and setting is a process that requires significant skill. Although machines can perform some part of the work, the process is very labour intensive and the gems and jewellery industry in India provides employment to approximately 3.5 million people directly and indirectly. (*Source: CARE Report*). India, with its availability of low-cost skilled labour is in a position to produce jewellery of good design and quality at a low cost. India has well-established capabilities in manufacturing hand-made jewellery in traditional as well as modern designs. Ethnic Indian hand-made jewellery has demand in various geographies with a high Indian population such as the Middle East, the U.S. and Canada. India has progressed in using the latest technologies in diamond-processing and jewellery-making. Many of India's jewellery manufacturing companies are now equipped with latest Computer Aided Design ("**CAD**") / Computer Aided Manufacture ("**CAM**") systems and other advanced design systems. India's diamond processing companies have modern equipment, such as laser machines, automatic and semi-automatic bruiting machines and auto planners. (*Source:*

CARE Report)

Import of Raw Materials

With negligible domestic production of gold, diamonds, and other gemstones, India has to import almost its entire requirements of raw materials. India's import of gems and jewellery marginally increased by 1.72% from US$ 41.93 billion in fiscal 2011 to US$42.65 billion in fiscal 2012. India's import of gems and jewellery grew at a CAGR of 22.23% between fiscal 2002 and fiscal 2012 and 23.73% between fiscal 2008 and fiscal 2012. The imports of rough diamonds witnessed a year-on-year growth of 26.84% while the gold bars increased by 33.36% on a year-on-year basis. However, the imports of cut and polished diamonds decreased by 30.81% on a year-on-year basis (in US$ terms) primarily due to the imposition of 2% custom duty with effect from January 17, 2012. Earlier, no custom duty was levied on the imports of the cut and polished diamonds.

On an average, India consumes approximately 700-750 tonnes of gold annually, majority of which is imported. India's total consumption of gold is approximately 21% of the global gold consumption, thus making India the largest consumer of gold in the world. The major gold supplying countries to India include Switzerland, South Africa, Australia, and the UAE. (*Source: CARE Report)*

The table below sets out the breakdown of the various raw materials imported into India:

Import of Raw Materials for Gems and Jewellery	**fiscal 2008**	**fiscal 2009**	**fiscal 2010**	**fiscal 2011**	**fiscal 2012**
	₹ Billion				
Total Rough Diamonds	399.22	352.51	427.42	544.34	721.61
Rough Colored Gemstones	5.99	4.81	5.54	6.65	6.48
Raw Pearls	0.44	0.25	0.23	0.32	0.36
Rough Synthetic Stones	0.53	0.14	0.11	0.41	0.57
Gold Bar	107.91	211.93	354.39	377.14	529.84
Silver Bar	0.85	1.19	1.50	1.76	3.99
Platinum	0.23	37.74	0.21	1.38	0.37
Cut & Polished Diamonds	**222.52**	**407.31**	**547.47**	**947.04**	**678.65**
Other Items	22.31	21.76	26.10	32.90	90.85
Grand Total	**760.00**	**1,037.66**	**1,362.96**	**1,911.94**	**2,032.71**
Source: CARE Report					

Pricing of Gold and Diamonds

Gold

Globally, the demand for gold declined by 5% in volume terms and increased by 18% in value terms in fiscal 2012 compared to fiscal 2011. This decrease in the volume was primarily due to the decline in the demand from major consuming countries like India and China. Further, as the gold prices increased by over 18% during the same period in USD terms, the impact was greater in India due to the depreciation of rupee leading to an increase of more than 30% year-on-year. *(Source: CARE Report)*

Gold price recorded historic levels of US$1,900.1 per ounce, globally, during the nine months ended December 31, 2011 and in India the gold prices reached upwards of ₹29,295 per 10 grams during the same period. In addition, in the month of June 2012, the gold prices in India had reached the mark of ₹30,000 per 10 grams. In India, the USD/INR exchange rate plays an important role in determining gold prices. Gold is also heavily traded on the futures market in India and abroad and the recent record price of gold is partly believed to be due to higher trading volumes on the futures exchange. *(Source: CARE Report)*

Gold Price (Rs./ 10gm) – Indian Market

Gold Prices (Monthly Average) – Rupee and USD

(Source: CARE Report)

Diamonds

The table below sets out the prices of diamonds of various sizes:

(for Rounds Rapport Diamond Index in US$) **Calendar Year**	**0.5 ct**	**1 ct**	**3 ct**	**5 ct**
1999	47.7	82.8	181.6	263.2
2000	47.8	85.9	190.0	270.0
2001	46.0	85.6	190.4	269.8
2002	46.3	85.6	192.2	270.4
2003	46.3	86.0	192.8	270.9
2004	46.9	92.8	213.4	289.0
2005	46.6	94.4	239.8	336.5
2006	45.9	94.4	253.4	369.3
2007	45.9	98.4	292.8	563.4
2008	46.5	111.4	322.1	646.4
2009	45.7	109.3	315.5	617.5
2010	45.7	116.1	370.0	682.2
Source: CARE Report				

The above prices are the average prices per carat for the top 25 grades of diamonds.

Diamond jewellery and other precious stone jewellery typically involve higher profit margins compared to ordinary gold jewellery.

Key Demand Drivers

India's jewellery consumption is sensitive to the following factors:

1. *Economic growth - increase in per capita income*

   India's GDP is projected to grow at a rate of 4.9% in the calendar year 2012 and at the rate of 6.0% in the calendar year 2013. The Indian economy is projected to emerge as one of the largest economies in the world in the next decade with an estimated GDP (at current prices) of ₹97,699.84 billion (approximately US$1,946.77 billion) in calendar year 2012 *(Source: International Monetary Fund, World Economic Outlook Database, October 2012 Update).* In fiscal 2010, the percentage of the Indian population in the medium income and high income brackets is expected to increase to 12.8% and 1.7%, respectively, as compared to 5.7% and 0.4%, respectively, in fiscal 2002. Furthermore, the number of High Net Worth individuals ("**HNIs**") in India has increased significantly in recent years. India had a population of 125,000 HNIs in calendar year 2011 as per the World Wealth Report 2012. These trends result in an increased amount of disposable income being available for discretionary luxury purchases such as jewellery.

2. *A growing consumer class*

   People between the ages of 15 and 64 are regarded as most likely to have disposable income and to be willing to spend it on consumer goods such as jewellery. The proportion of India's population in this age group has increased from 56.9% in calendar year 2001 to a projected 65.2% in fiscal 2011. This provides greater potential for the jewellery industry to expand in India. *(Source: CARE Report)*

3. *Emphasis on brand promotion and advertising*

   Jewellery retailers have increasingly resorted to advertisement, brand promotion and marketing activities such as celebrity endorsements and event sponsorship . Such promotional activities contribute to increasing demand for jewellery in India. *(Source: CARE Report)*

4. *Spread of jewellery stores in tier II & tier III cities*

   The jewellery retail brands operating in India have expanded their reach to tier-II & III cities during the last three to four years. Even though such chains are primarily concentrated in tier-I cities, jewellery retailers have recently been attracted by the prospects of higher economic growth, emanating from small towns and cities, wherein consumers are willing to spend more than their counterparts in tier-I cities, owing to the low cost of living while still being able to maintain a higher standard of living.

Jewellery Retailing

The Indian jewellery retail industry is highly unorganized with the organized market accounting for approximately 5%-6% of the jewellery retail market, if the national level players in the organized market are considered whereas the organized market accounts for approximately 16%-18% of the jewellery retail market, in the event the regional players are also included. There are approximately 450,000 traditional neighbourhood jewellers across the country, indicating a high level of fragmentation. There are approximately 15,000 players across India in the gold processing industry, with 450,000 goldsmiths spread across the country. There are also more than 6,000 players in the diamond-processing industry. With consumer preference for fine quality goods, branded jewellery, hallmark certification and maturity in the jewellery market, organized retail share is expected to grow. Low branding, higher gold wastage in manufacturing and weak exchange options make the survival of family-owned jewellers difficult. *(Source: CARE Report)*

Organized Jewellery Retailing

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

Changing trends in the Indian retail jewellery market

Traditional Practice	Emerging Trend
Gold jewellery consumption emanates from traditional and investment-related demand.	It is regarded as a fashion accessory by the growing young population.
Demand peaks during weddings and festival seasons.	They still remain the main demand drivers but its use for regular wearing and gifting has evened out the demand throughout the year.
Consumption of pure gold - preferred 22-carat. Traditional & ethnic designs preferred.	Lower caratage & light-weight jewellery preferred. Trend is more towards fashionable and contemporary designs.
Purchase from neighbourhood jewellers dominated. Hence the industry lacked transparency.	Growing preference for brands, retail stores & e-retailing. Introduction of hallmarking & certifications.
Predominance of gold (yellow)-based jewellery.	Acceptance of white gold, platinum and diamond-studded jewellery. Even imitation jewellery is gaining acceptance.
Jewellery largely sold on prevailing gold price, per gram, plus labour charges.	Branded players sell on a fixed-price basis.

(Source: CARE Report)

Certification

The Government of India launched a hallmarking scheme through the Bureau of Indian Standards ("**BIS**") with a view to increasing consumer confidence in the quality and purity of gold being offered for sale in India. There are over 185 BIS-recognised assaying and hallmarking centres in India. In January 2012, the Government of India has proposed to make the hallmarking of gold jewellery mandatory for quality control purposes.

The colour, clarity and carat weight of diamonds are typically certified by internationally-recognized organizations such as the International Gemological Institute ("**IGI**") or the Gemological Institute of America ("**GIA**"), many of which have now established offices in Mumbai, Surat and New Delhi. Their national equivalents are the Indian Diamond Institute ("**IDI**") and the Gemological Institute of India ("**GII**"). *(Source: CARE Report)*

Industry Concerns

According to the CARE Report, some of the key challenges facing the jewellery retailing industry, are as follows:

1. Limited availability of high-end real estate. High-end retail space constitutes less than 3% of total retail space;

2. Adapting to changing consumer preferences including regional preferences;

3. Diamond prices have increased by approximately 35-40% on average between January 2011 and June 2011 primarily due to a supply shortfall. Demand is expected to surpass rough diamond production over the next few years;

4. The Indian jewellery industry is facing increasingly challenging competition from China which is expected to become the biggest manufacturer of jewellery in a few years;

5. Synthetic diamonds and other artificial jewellery sales may reduce the popularity of real diamonds amongst consumers as diamond prices continue to rise and consumers become more price conscious;

6. An increase in the popularity of competing luxury products could reduce jewellery sales. Similarly, an increase in the popularity of other investment vehicles such as shares, bonds etc. could also reduce sales of jewellery; and

7. Organized jewellery retailing takes a long time in building its brand and trust among consumers and accordingly has a long gestation period.

Key Policy Measures for the Gems and Jewellery Industry

Foreign Trade Policy 2009-2014

The government has announced a series of measures to help the gems and jewellery exports in the Foreign Trade Policy, 2009-14

- It has been decided to neutralize duty incidence on gold jewellery exports, to allow duty drawback on such exports;

- In an endeavour to make India an international diamond trading hub, it has been planned to establish several “Diamond Bourses” across many cities;

- A new facility to allow the import of cut and polished diamonds on a consignment basis for the purpose of grading and certification has been introduced; and

- To promote the export of gems and jewellery products, the value limits of personal carriage have been increased from US$2 million to US$5 million in case of participation in overseas exhibitions. The limit in case of personal carriage, as samples, for export promotion tours, has been increased from US$ 0.1 million to US$1 million.

  (Source: CARE Report)

Recent developments - Certain policy measures for gems and jewellery industry: 2012-13

- Increase in custom duty on gold bars (other than tola bars), from 2% to 4% of the value of gold being imported (Notification No.12/2012 - Customs);

- Custom duty on polished coloured gems has been introduced at 2% and on platinum it has been increased to 4% from 2% of the value of platinum being imported (Notification No.12/2012 - Customs);

- Custom duty on silver has been increased to 6% of the value of silver being imported from its earlier level of ₹ 1,500 per kilogram;

- Increase in excise duty on gold bars, other than tola bars starting from the stage of gold ore or concentrate from 1.5% to 3% (Notification No.12/2012 - Central Excise);

- Increase in excise duty of gold bars and coins of purity not below 99.5% to 3% from 2% (Notification No.12/2012 - Central Excise);

- Full exemption of excise duty for gold coins of purity 99.5% and above and silver coins of purity 99.9% and above (Notification No.12/2012 - Central Excise); and

- An additional tax of 1% is to be collected at source from the buyer in case of any cash purchase of bullion (excluding coins or other articles weighing ten grams or less) and jewellery above ₹ 200,000 and ₹ 500,000, respectively, as stipulated in the Income Tax Act, 1961.

CARE Research expects that the increase in the above excise and custom duties will be passed on to the consumers thereby increasing the prices of such precious metals to the end consumers.
(Source: CARE Report)

Foreign Direct Investment ("FDI") guidelines:

1. In September 2012, FDI has been allowed up to 51% in the multi-brand retail trading (including gems and jewellery) under the approval route, subject to certain conditions, including the state governments/union territories allowing FDI within their respective states/union territories.

2. FDI up to 100% has been allowed in single-brand product retail trading under the approval route, subject to certain conditions, including the product is sold under the same brand globally.

Other Government Initiatives:

1. The Indian government has provided an impetus to the booming gems and jewellery industry with favourable foreign trade policies;

2. 100% foreign direct investment has been allowed in the gems and jewellery through the automatic route;

3. Duty-free import of consumables for jewellery made out of precious metals other than gold and platinum up to 2% of freight on board value of exports is allowed;

4. Duty-free import entitlement for rejected jewellery up to 2% of freight on board value of exports is allowed;

5. Import of gold of 8 carat and above under the replenishment scheme;

6. The government has reduced the customs duty on 'gold findings' to 4% from 10%. Gold findings are small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of jewellery in place;

7. Setting up of special economic zones and gems and jewellery parks has been done to promote investment in the sector;

8. The government has also raised the limit value of jewellery parcels for export through foreign post office (including via speed post) from US$50,000 to US$75,000 and the time period for re-import of branded jewellery remaining unsold has been extended from 180 days to 365 days; and

9. The export of coloured gemstones on a consignment basis has also been allowed.

(Source: CARE Report)

OUR BUSINESS

Overview

We are one of the leading jewellery companies in India in the organized jewellery retail sector, according to the CARE Report. Our operations include the manufacture, retail and export of jewellery. We believe that we have developed a strong brand in our markets in north and central India. We offer a wide range of products including gold jewellery, diamond jewellery and other jewellery including silver articles, with a focus on diamond jewellery and jewellery for weddings. In fiscal 2012, domestic gold jewellery, diamond jewellery and other jewellery contributed 72.5%, 26.7% and 0.8%, respectively, of our revenue from domestic sales. In the six months ended September 30, 2012, domestic gold jewellery, diamond jewellery and other jewellery contributed 67.1%, 32.6% and 0.3%, respectively, of our revenue from domestic sales.

As of September 30, 2012, we had 30 showrooms under the "*PC Jeweller*" brand located across 23 cities in north and central India with an aggregate area of approximately 164,572 sq.ft. All of these showrooms are operated and managed by us, with the exception of our Chandigarh showroom, which is operated and managed by a third party. Of these showrooms, 27 showrooms are large-format (with an area of 3,000 sq.ft. or more), including 11 showrooms which have an area of more than 5,000 sq. ft., of which four showrooms are more than 10,000 sq.ft.. We plan to further expand our showroom network across India, including in southern and western parts of India. We intend to open an additional 20 showrooms by fiscal 2014, all of which are proposed to be financed through the Net Proceeds.

In addition to the sale of jewellery through our showrooms, we also sell gold and diamond jewellery through online sales on our website. We also export gold and diamond jewellery on a wholesale basis to international distributors in Dubai and Hong Kong. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our export sales represented 33.5%, 34.4%, 33.0% and 32.6%, respectively, of our revenue from operations in these periods.

We have established our own jewellery manufacturing facilities. We have two jewellery manufacturing facilities in Selaqui, Dehradun, Uttarakhand that cater to our sales in India. We have also set-up two jewellery manufacturing facilities at the Noida SEZ, Uttar Pradesh, that cater to our export sales. In addition, in November, 2011, we commenced manufacturing operations at an additional 34,000 sq.ft. jewellery manufacturing facility in Noida, Uttar Pradesh, to further increase our manufacturing capabilities. In fiscal 2012 and for the six months ended September 30, 2012, 4,831.96 kg and 2,725.47 kg, of gold, respectively, was processed at our own manufacturing facilities.

Our business has grown rapidly in recent years. We expanded our retail network from one showroom as of April 13, 2005 to 30 showrooms as of September 30, 2012. The following table sets forth certain information on our results of operations for the periods stated:

Particulars	**Fiscal**			**Six Months ended September 30, 2012**	**CAGR***
	2010	**2011**	**2012**		
				(in ₹ million)	**(%)**
Revenue from Operations	9,848.47	19,770.55	30,419.27	18,557.00	55.6
Domestic sales	6,548.98	12,978.16	20,394.90	12,504.78	56.3
Export sales	3,299.49	6,792.39	10,024.37	6,052.22	54.2
Net profit, as restated	783.97	1,476.84	2,300.46	1,419.85	53.6
EBITDA	984.69	1,988.99	3,312.87	2,335.83	68.0

** CAGR means calculating a year-over-year growth rate over a specified period of time and it has been computed by annualizing the financial information for the six months ended September 30, 2012*

Competitive Strengths

We believe our principal competitive strengths include the following:

Established brand

We believe that we have developed "*PC Jeweller*" as a strong brand in our markets in north and central India as a jewellery retailer with a wide range of jewellery products, particularly diamond jewellery and jewellery for weddings. We believe that our focus on quality, design range, customer oriented policies and loyalty programs, together with our targeted marketing efforts, have enabled us to develop strong brand recognition and customer loyalty. We have made significant investments in nationwide advertising campaigns and event sponsorships to promote our brand. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our advertisement expenditure was ₹61.19 million, ₹122.56 million, ₹ 264.06 million, and ₹92.76 million, respectively. We have also developed an in-house marketing team that conducts customer surveys, and identifies customer preferences and studies trends.

Network of strategically located large-format showrooms

We focus on jewellery retail and have rapidly expanded our retail network of strategically located showrooms in recent years. As of September 30, 2012, we had 30 showrooms under the "*PC Jeweller*" brand located across 23 cities in north and central India with an aggregate area of approximately 164,572 sq.ft. Of these 30 showrooms, 27 are large-format (with an area of 3,000 sq.ft. or more), including our showrooms at Karol Bagh and South Extension in New Delhi, and Gurgaon and Panchkula in Haryana which have an area greater than 10,000 sq.ft. each. We follow a detailed showroom selection methodology. We believe that our large-format showrooms, located typically in "high street" areas with high visibility and customer traffic, provide our customers with a luxury retail experience, which reinforces our positioning as a trusted jewellery retailer. We believe that our large-format showrooms also enable us to offer a wide range of jewellery products attracting a diverse customer base, ensure effective inventory management and provide benefits of scale. In addition to sale of jewellery through our showrooms, we also provide an option to buy jewellery online through our website.

Wide product range with an increasing focus on diamond jewellery

Our wide range of product offerings caters to diverse customer segments, from the value market to high-end customized jewellery. Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. We believe that the gold, diamond and other jewellery inventory in each individual showroom reflects regional customer preferences and designs. We believe that our focus on design and innovation, our ability to recognize consumer preferences and market trends, the intricacy of our designs and the quality and finish of our products are our key strengths. In addition, our access to a wide range of independent manufacturers from various parts of India allows us to offer a diverse product range.

We believe that our focus on diamond jewellery sales results in higher profit margins. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, domestic diamond jewellery sales constituted 17.9%, 22.9%, 26.7%, and 32.6%, respectively, of our domestic sales and 11.9%, 15.0%, 17.9%, and 21.9%, respectively, of our revenue from operations in these periods and we expect the relative proportion of domestic diamond jewellery sales of our domestic sales to increase in the future.

Significant manufacturing capabilities

A certain portion of our jewellery is designed and manufactured at our own manufacturing facilities. In fiscal 2012 and for the six months ended September 30, 2012, 4,831.96 kg and 2,725.47 kg, of gold, respectively, was processed at our own manufacturing facilities. We believe that this enables us to control costs and increase our profit margins and gives us a competitive advantage over some of our competitors who do not have their own manufacturing facilities. We have established two jewellery manufacturing facilities at Selaqui, Dehradun, Uttarakhand to cater to our sales in India. We have also set up two jewellery manufacturing facilities at the Noida SEZ, Uttar Pradesh, for our export sales. In addition, in November, 2011, we commenced manufacturing operations at an additional 34,000 sq.ft. jewellery manufacturing facility in Noida, Uttar Pradesh, to further increase our manufacturing capabilities. As of September 30, 2012, we employed approximately 301 employees across our manufacturing facilities who focus on designing and manufacturing jewellery products. We believe that our large skilled workforce with knowledge and expertise in jewellery-making is a key competitive strength that has enabled us to establish and maintain our reputation and brand.

Vertically integrated operations and effective operational control processes

Our operations integrate sourcing, manufacturing, retail and export sales on a wholesale basis, which provide us with several competitive advantages, including the ability to:

- capture margins across the jewellery value chain;
- adjust our manufacturing and product range to address shifts in consumer preferences and changes in demand;
- offer customized designs to our customers;
- exercise greater control over the quality of our raw materials as well as our manufactured products;
- implement efficient and flexible inventory management due to our large showroom network which facilitates a rotation of stock every three to six months thereby helping to reduce our finished inventory holding period;

- ensure minimal work-in-process time by ensuring a smooth supply chain; and
- gather and maintain market intelligence on manufacturing costs that can be used in negotiations with third party vendors as well as on design trends.

We believe that our effective operational management has enabled us to successfully implement and support our past expansions. Our procurement policy, inventory management (including tagging each item sold in our showroom and quality control) and sales processes result in operational efficiencies which enable us to implement our long-term objectives through detailed corporate planning. Our centralized operations enable us to effectively monitor and address operational processes that link our supply chain, manufacturing facilities and showrooms.

We follow a procurement policy aimed at de-risking the business from gold price fluctuations by sourcing gold for our manufacturing operations under the gold loan schemes from canalizing agencies and international bullion suppliers. Under such arrangements, the price of gold purchased is not fixed on procurement, but rather within the applicable credit period, on the basis of prevailing gold rates on sale to customers, thereby minimizing any risk to us relating to gold price fluctuations between the time of our procuring the raw material and selling the finished product to our customers. In our domestic operations we are typically entitled to fix such prices within a period of 90 to 180 days from the date of procurement. Similarly, in our export operations we are generally entitled to fix such prices within a period of up to 270 days from the date of procurement.

Experience of our Promoters and senior management team

Our Promoters have been involved in the jewellery business in India for more than two decades and have extensive experience in the industry. Their strong relationships with our suppliers, export customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been instrumental in sustaining our business operations. Our management team also includes professionals with extensive experience in the gems and jewellery industry as well as finance and marketing.

Business Strategies

The key elements of our business strategy are as follows:

Further expand our retail network

According to the CARE Report, the Indian jewellery retail industry is highly unorganized with the organized sector accounting for approximately 5%-6% of the jewellery retail market, if the national level players in the organized market are considered, and approximately 16%-18% of the jewellery retail market, in the event the regional players are also included. We believe that the relatively low penetration of the organized sector, particularly in the Metro, Tier I and Tier II cities and towns in India, provides us with significant growth opportunities. We intend to further expand our retail network across various cities in north and central India and in certain key markets in the rest of India. As part of this strategy, we intend to open 20 additional showrooms by fiscal 2014, all of which are proposed to be financed through the Net Proceeds. We have conducted analysis of the markets in the proposed locations, which are in Tier II and Tier III cities in India, including an evaluation of feasibility factors such as potential sales, sales mix, potential for growth of various jewellery products, the market share of potential competitors and availability of sales and other personnel. All of the proposed showrooms are intended to be large-format showrooms. We are also in the process of exploring and evaluating the possibility of setting up international retail operations. Our retail network expansion plans are aimed at not only increasing sales volumes, but also enabling us to consolidate our position as a leading Indian jewellery retailer in the organized jewellery retail sector, by increasing our brand visibility, geographical presence and market share.

Continue to increase our focus on diamond and other higher margin jewellery sales

We continue to increase our focus on diamond jewellery and other precious stone jewellery, as these typically involve higher profit margins than other types of jewellery, according to the CARE Report. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, domestic diamond jewellery sales constituted 17.9%, 22.9%, 26.7%, and 32.6%, respectively, of our domestic sales and 11.9%, 15.0%, 17.9%, and 21.9%, respectively, of our revenue from operations in these periods. We believe that consumer demand for diamond jewellery in India has increased at relatively higher rates compared to the demand for gold jewellery. We intend to further increase diamond jewellery sales as a proportion of our overall sales. We intend to increase diamond jewellery sales through various initiatives including the development of unique products with competitive pricing, increasing our range of diamond jewellery to cater to various customer segments and advertising and promotional campaigns focused on diamond jewellery. In addition, consistent with our focus on diamond jewellery, our showroom set up ensures increased visibility for our diamond jewellery, including the display of diamond jewellery on the ground floor in our multi-floor showrooms.

Introduce our own branded jewellery lines

We believe that the branded jewellery segment of the jewellery industry in India provides significant growth opportunities. According to the CARE Report, India's growing middle class, increasing per capita income, the increasing number of working women and the increase in discretionary spending in India has in recent years led to an increase in demand for gold and diamond jewellery products. We believe customers have also become increasingly conscious of product quality. We continue to explore and evaluate the possibility of introducing our own branded jewellery lines targeted at the luxury market, and focused on high-end gold, diamond and precious stone jewellery.

Increase sales through innovative customer-oriented marketing initiatives

We continue to invest in nationwide, regional and local store-level advertising campaigns, marketing initiatives and event sponsorships to increase our visibility and customer traffic at our showrooms. We continue to focus on jewellery fairs, trade shows and other industry forums to introduce and market our products and new designs. For example, we were one of the associate sponsors of the grand finale of India International Jewellery Week, the Filmfare Awards in 2010, 2011 and 2012, Delhi Couture Week 2012 and title sponsors for the Mijwan Welfare Society charity event held in September 2012.

We continue to evaluate our showroom network to optimize customer foot-fall, and focus on converting potential customer traffic into sales by soliciting and analyzing customer feedback to establish a continuing relationship with customers. We have implemented several customer-oriented marketing schemes and policies, for example, our “Jewels for Less” scheme, which enables our customers to make advance payments in monthly installments during the scheme period to purchase, at the end of such period, jewellery of a value higher than the aggregate advance amounts paid. As of September 30, 2012 we had 50,582 subscribers enrolled under this scheme and had a deposit of ₹ 696.97 million from these members. In addition, we have recently commenced the "Swarn Manjusha" scheme, which also enables our customers to make advance payments in monthly installments during the scheme period and purchase jewellery at the prescribed discounted rates at the end of the completion of the relevant periods and also enables the subscriber to fix the rate of the gold (for 24 carat quality gold) as on the date of payment under the scheme. For further information, see “- ***Marketing and Advertising Initiatives***” on page 131. We extend a full refund policy for jewellery items returned within seven days of purchase (30 days if purchased online), as well as a free lifetime repair service. We also offer a buy-back policy for our diamond jewellery at a minimum of 90.0% of the invoice price, excluding applicable taxes, and in the case of gold jewellery, at the value of gold in such jewellery at then prevailing market rates, excluding applicable taxes. We encourage customer loyalty by organizing social events at our showrooms. We also continue to provide effective training for our sales personnel in sales techniques and product knowledge. We believe that these various measures contribute to enhancing our brand and customer trust and loyalty and result in increased sales.

Investment Considerations

Our ability to successfully implement our business plan and growth strategies are subject to various factors, including the following: our ability to establish new showrooms and effectively utilize the Net Proceeds to establish such new showrooms; our ability to effectively manage our expanded operations; our ability to renew our existing leases or secure new leases or showrooms, or manufacturing facilities or offices on commercially acceptable terms; our ability to obtain gold under the gold loan schemes; our ability to continue to use of the “PC Jeweller” trade name; availability of quality gold bullion and diamonds; our ability to secure additional working capital loans on commercially reasonable terms; our ability to attract and retain skilled designers, craftsmen and sales personnel; our ability to effectively control fraud, theft, employee negligence or similar incidents; our ability to continue to implement our marketing and advertising initiatives and brand building exercises or to successfully establish and market a branded jewellery line, the possibilities of which we are currently exploring and evaluating; concentration of our operations in the Delhi NCR region and any adverse developments affecting our operations in this region; our indebtedness and the conditions and restrictions imposed by our financing agreements; our ability to retain the services of our Promoters and senior management team; and our ability to manage our inventory levels in line with the volatility in the market price of gold and diamonds. For further discussion of factors that could adversely affect our future financial condition and results of operations, see “***Risk Factors***” on page 14 and *“**Industry Overview - Industry Concerns**”* on page 118.

Our Products

We sell a wide range of jewellery products such as necklaces, rings, pendants, bracelets, earrings and bangles and also make customized jewellery for weddings. Our wide range of product offerings caters to diverse customer segments, from the value market to high-end customized jewellery. Our product profile includes traditional, contemporary and combination designs across jewellery lines, usages and price points. We believe that the gold, diamond and other jewellery inventory in each individual showroom reflects regional customer preferences and designs.

The following table sets forth certain information relating to sales of gold, diamond and other jewellery in the periods indicated:

Particulars	Fiscal						Six Months ended September 30, 2012		CAGR [3]
	2010		2011		2012				
	Sales	Percentage of Revenue from Operations	Sales	Percentage of Revenue from Operations	Sales	Percentage of Revenue from Operations	Sales	Percentage of Revenue from Operations	
	(₹ in million)	(%)	(₹ in million)	(%)	(₹in million)	(%)	(₹ in million)	(%)	(%)
Gold jewellery[1]	8,170.51	83.0	16,027.83	81.1	19,983.75	65.7	12,576.90	67.8	45.5
Diamond jewellery	1,619.86	16.4	3,654.49	18.5	10,271.51	33.8	5,941.79	32.0	94.3
Other jewellery[2]	58.1	0.6	88.23	0.4	164.01	0.5	38.31	0.2	9.7
Revenue from Operations	9,848.47	100.0	19,770.55	100.0	30,419.27	100.0	18,557.00	100.0	55.6

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and gift articles.
(3) CAGR means calculating a year-over-year growth rate over a specified period of time and it has been computed by annualizing the financial information for the six months ended September 30, 2012

Our Business Operations

Our operations include manufacturing, retail and wholesale of jewellery. As of September 30 2012, we had 30 showrooms under the "*PC Jeweller*" brand located across 23 cities in north and central India. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, domestic sales contributed 66.5%, 65.6%, 67.0%, and 67.4%, respectively, of our revenue from operations in these periods.

We also export gold and diamond jewellery on a wholesale basis to international distributors in Dubai and Hong Kong. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our export operations contributed 33.5%, 34.4%, 33.0% and 32.6%, respectively, of our revenue from operations in these periods.

The following table sets forth information on our domestic and export sales classified into gold, diamond and other jewellery, in the periods indicated:

Particulars	Fiscal						Six Months ended September 30, 2012	
	2010		2011		2012			
	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations
	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)
Domestic Sales								
Gold jewellery[1]	5,315.58	54.0	9,915.55	50.2	14,789.80	48.6	8,394.85	45.3
Diamond jewellery	1,175.52	11.9	2,974.63	15.0	5,441.28	17.9	4,071.84	21.9
Other jewellery[2]	57.88	0.6	87.98	0.4	163.82	0.5	38.09	0.2
Total Domestic Sales	**6,548.98**	**66.5**	**12,978.16**	**65.6**	**20,394.90**	**67.0**	**12,504.78**	**67.4**
Export Sales								
Gold jewellery[1]	2,854.93	29.0	6,112.28	30.9	5,193.96	17.1	4,182.06	22.5
Diamond jewellery	444.34	4.5	679.86	3.5	4,830.23	15.9	1,869.94	10.1
Other jewellery[2]	0.22	0.0	0.25	0.0	0.18	0.0	0.22	0.0
Total Export	**3,299.49**	**33.5**	**6,792.39**	**34.4**	**10,024.37**	**33.0**	**6,052.22**	**32.6**

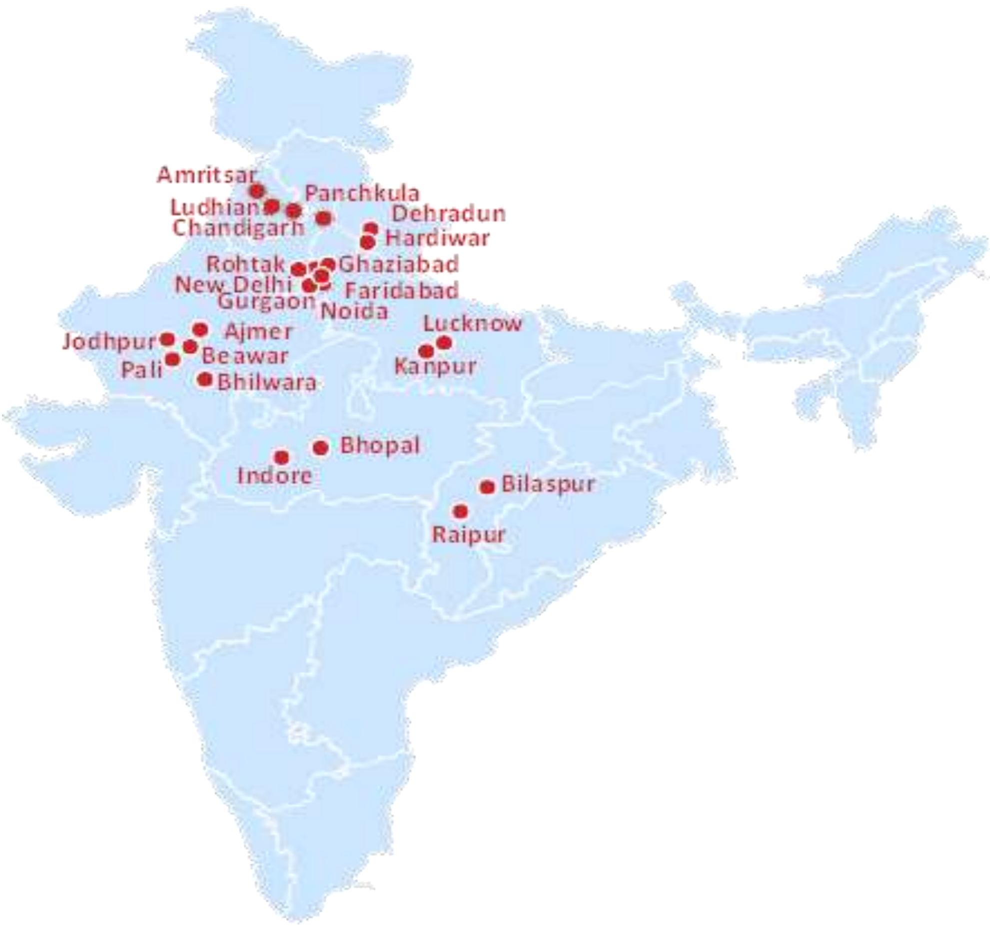
Particulars	Fiscal						Six Months ended September 30, 2012	
	2010		2011		2012			
	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations
	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)
Sales								
Revenue from Operations	**9,848.47**	**100.0**	**19,770.55**	**100.0**	**30,419.27**	**100.0**	**18,557.00**	**100.0**
(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.								
(2) Includes platinum jewellery, silver made-ups and gift articles.								

Retail Operations

Showroom Network

As of September 30, 2012, we had 30 showrooms under the "PC Jeweller" brand located across 23 cities in north and central India with an aggregate area of approximately 164,572 sq.ft. All of these showrooms are operated and managed by us, with the exception of our Chandigarh showroom, which is operated and managed by third parties. Of these showrooms, 27 showrooms are large-format (with an area of 3,000 sq.ft. or more), including our showrooms at Karol Bagh and South Extension in New Delhi, and Gurgaon and Panchkula in Haryana which have an area greater than 10,000 sq.ft. each.

The following map shows the cities in India in which our showrooms are located, as of September 30, 2012:



Map not to Scale

The table below sets forth; (i) certain information on our existing showrooms as of September 30, 2012, including, details on the location, area and year of opening; (ii) details on the sales of our jewellery products at the respective showrooms, for the six months ended September 30, 2012; (iii) our inventory levels at the respective showrooms as of September 30, 2012 and (iv) the expiry dates of our leases for the respective showrooms:

Sr. No.	Location	Area (sq. ft.)	Year Opened	Sales in the Six Months ended September 30, 2012	Inventory Levels as of September 30, 2012	Expiry of Lease
				(₹ in million)		
1.	Karol Bagh, New Delhi	13,016	April, 2005	1,442.63	761.57	March 31, 2016
2.	Faridabad, Haryana	3,950	October, 2008	527.97	197.80	May 31, 2017
3.	Noida, Uttar Pradesh	2,660	October, 2007	475.45	117.23	November 30, 2015
4.	Ghaziabad, Uttar Pradesh	3,350	March, 2010	375.59	178.47	February 28, 2019
5.	Pitampura, New Delhi	6,290	April, 2009	659.17	180.63	February 28, 2018
6.	Gurgaon, Haryana	13,400	March, 2010	531.15	173.50	February 28, 2019
7.	Preet Vihar, New Delhi	5,130	March, 2010	726.18	198.29	December 15, 2018
8.	Dehradun, Uttarakhand	3,450	October, 2008	336.19	241.66	September 30, 2017
9.	Lucknow, Uttar Pradesh	3,874	July, 2010	348.24	172.23	April 25, 2019
10.	Chandigarh	2,208	September, 2009	97.88	131.84	Not Applicable*
11.	Panchkula, Haryana	11,600	December, 2007	336.72	166.47	December 31, 2015
12.	Indore, Madhya Pradesh	8,917	August, 2010	344.22	185.23	April 26 , 2019
13.	Bhopal, Madhya Pradesh	5,800	September, 2010	309.37	177.08	April 27 , 2019
14.	Jodhpur, Rajasthan	5,655	October, 2010	279.51	191.28	September 19, 2019
15.	Raipur, Chattisgarh	4,590	October, 2010	271.37	185.53	September 9, 2019
16.	Bhilwara, Rajasthan	3,500	December, 2010	238.34	116.39	October 10, 2019
17.	Ludhiana, Punjab	3,798	March, 2011	589.24	217.93	January 31, 2020
18.	Haridwar, Uttarakhand	4,393	July, 2011	201.79	106.39	February 16, 2020
19.	Bilaspur, Chattisgarh	3,500	July, 2011	346.62	203.66	February 9, 2020
20.	Pali, Rajasthan	3,600	August, 2011	269.38	160.42	January 20, 2020
21.	South Extension, New Delhi	11,500	October, 2011	1,407.32	578.62	June 30, 2020
22.	Amritsar, Punjab	5,756	October, 2011	176.18	165.79	Two separate leases for (i) ground floor and second floor and (ii) first floor: i. Ground and second floor lease expires on June 2, 2020; and ii. First floor lease expires on August 23, 2020.
23.	Beawar, Rajasthan	3,500	October, 2011	217.99	139.73	January 30, 2020
24.	Ajmer, Rajasthan	4,500	October, 2011	296.36	144.42	January 31, 2020
25.	Kanpur, Uttar Pradesh	4,552	May, 2012	304.47	191.14	October 18, 2019
26.	Rohtak, Haryana	4,600	May, 2012	134.46	159.36	January 23, 2021
27.	Rajouri Garden, New Delhi	4,455	May, 2012	248.68	190.02	January 9, 2021
28.	Greater Kailash, New Delhi	4,500	June, 2012	287.15	508.20	May 17, 2021
29.	Indirapuram, Ghaziabad, Uttar Pradesh	2,528	August, 2012	145.77	214.29	June 5, 2021
30.	Kingsway Camp, New Delhi	6,000	August, 2012	119.26	218.70	May 14, 2021
Total		**164,572**		**12,044.65**	**6,573.87**	

** Showroom owned and managed by third parties. However, the lease for this showroom expires on August 31, 2019*

Expansion Plans

We intend to open an additional 20 showrooms by fiscal 2014, all of which are proposed to be financed through the Net Proceeds. We have conducted analysis of the markets in the proposed locations, which are in Metro, Tier I and Tier II cities in India, including an evaluation of feasibility factors such as potential sales, sales mix, potential for growth of various jewellery products, the market share of potential competitors and availability of sales and other personnel. All of the proposed showrooms are intended to be large-format showrooms. For further information, see "***Objects of the Issue***" on page 82. We are also in the process of exploring the possibility of setting up international retail operations.

Showroom Selection

The ability to open and operate our new showrooms profitably is crucial to our continued growth. We typically conduct a financial and operational analysis of any new proposed showroom location. Our showrooms are typically situated in "high street" locations with high customer traffic. We select locations for our showrooms based on our evaluation of individual site economics such as average daily footfalls, the proximity of competition, location, visibility and accessibility as well as general market conditions. In the selection of sites for our showrooms we aim to secure an elegant retail setting consistent with our brand positioning. We therefore avoid over-proliferation of showrooms or locating our showrooms in non-central locations, as this could diminish our brand profile. We intend to enter markets where we believe we can gain market share from local competitors by differentiating ourselves on the basis of our wide product range, designs and price structure and by leveraging our brand and goodwill. We also require various approvals depending on the State in which the showroom is proposed to be located, including trade licences and registrations. For further information, see "***Government and Other Approvals***" on page 314.

Showroom Design and Operations

All of our showrooms are operated and managed by us, with the exception of our Chandigarh showroom, which is operated and managed by third parties. Our showrooms are generally operated under the supervision of a showroom manager who is responsible for the management of all showroom-level operations. The showroom manager reports directly to the relevant regional manager who in turn reports to the zonal manager and ultimately to the chief operating officer. The showroom manager is assisted by a sales manager who is responsible for inventory management and keeping track of daily sales. Our showrooms are staffed by experienced and knowledgeable professionals. Individual sales personnel in charge of each counter are responsible for the inventory of the relevant counter.

We believe that our large-format showrooms, typically located in "high street" areas with high visibility and customer traffic, provide our customers with a luxury retail experience, which reinforces our positioning as a trusted jewellery retailer. We believe that our large-format showrooms also enable us to offer a wide range of jewellery products attracting a diverse customer base, ensure effective inventory management and provide benefits of scale. In addition, consistent with our focus on diamond jewellery, our showroom set up ensures increased visibility for our diamond jewellery, including the display of diamond jewellery on the ground floor in our multi-floor showrooms. Our showroom at Karol Bagh won B2C Consultants' "Best Showroom Award" in 2005.

Showroom inventory in each of our showrooms is reorganized on the basis of feedback from our marketing teams and our customers. Slow-moving inventory is moved to other showrooms that may be more suitable for that particular jewellery product or design.

Security infrastructure at each showroom includes a strong room, continuous security guard coverage, and other surveillance equipment. Sales proceeds are deposited with our banks daily.

Wholesale/Export Operations

Our export operations include the sale of jewellery to international distributors in Dubai and Hong Kong on a wholesale basis. Such jewellery is not sold under the "*PC Jeweller*" brand.

Although we do not have any long-term contracts with our wholesale customers, we believe we have built strong relationships with them. Our wholesale customers purchase jewellery under specific purchase orders and these customers are not subject to any contractual provisions or other restrictions that preclude them from purchasing products from our competitors.

Our international wholesale jewellery orders are usually shipped on a CIF basis. We have established two jewellery manufacturing facilities at the Noida SEZ, in Uttar Pradesh, that cater to our export sales.

We have received the following awards for our units operating from the Noida SEZ. These awards are not national level awards and are conferred only upon units operating within the Noida Special Economic Zone and Export Oriented Units, which are under the jurisdiction of Development Commissioner, NSEZ, Noida:

- "Award for Best Exporter (Gems and Jewellery Sector)", for the years 2009-2010 and 2010-2011 awarded by Noida SEZ, Department of Commerce, Ministry of Commerce & Industry, Government of India; and
- "Award for Highest Exporter " for the years 2009-2010 and Highest Exporter (SEZ Unit) 2010-2011

awarded by Noida SEZ, Department of Commerce, Ministry of Commerce & Industry, Government of India.

We have also been awarded the "Niryat Shree Silver Trophy" in the Gems & Jewellery non-MSME category for the year 2009-2010, by the Federation of Indian Export Organisations, Ministry of Commerce & Industry, Government of India.

Manufacturing Operations

Product Development and Design

We have developed an in-house marketing team that conducts customer surveys, and based on feedback from various sources including Indian and international trade shows and jewellery fairs, studies trends. We seek to design and develop new product lines with strong market appeal. The first phase of design and development involves the creation of a series of product drawings. We have an extensive design bank. The designs are selected by members of our senior management team depending on customer feedback and market trends. The manufacturing process commences following the approval of the product drawings.

Procurement of Raw Materials

We have a centralized procurement policy for all our showrooms and generally purchase raw materials in large volumes, which enables us to exercise greater bargaining power to negotiate with our raw material suppliers.

Gold used in our manufacturing operations, particularly for jewellery to be sold within India, is primarily sourced under gold loan schemes from various established canalizing agencies in India. Similarly, gold used in the manufacture of jewellery for export sales is sourced by the manufacturing facilities in Noida SEZ from canalizing agencies or directly from international bullion suppliers under gold loan schemes. These gold loan arrangements are subject to specified interest rates as advised by the various canalizing agencies or international bullion suppliers from time to time. Security for these gold loan arrangements is provided typically in the form of letters of credit, bank guarantees or cash margins maintained with the relevant canalizing agency or bullion supplier.

We do not seek to profit from gold price movements. The price of gold purchased is fixed on the basis of prevailing gold rates on sale to customers, within the applicable credit period, thereby minimizing any risk relating to gold price fluctuations between the time of our procuring the raw material and selling the finished product to our customers. In our domestic operations we are typically entitled to fix such prices within a period of 90 to 180 days from the date of procurement. Similarly, in our export operations we are generally entitled to fix such prices within a period of up to 270 days from the date of procurement.

In addition, we also purchase small amounts of gold used in our domestic operations on an outright payment basis. We also melt old jewellery that our customers sell to or exchange with us and we use this as raw material for new gold jewellery.

We source our cut and polished diamonds principally from various diamond traders in India. Purchase of diamonds is on a fixed payment basis, i.e. the price and the credit period is fixed at the time of purchase. Our larger diamonds are also imported from locations such as Hong Kong and Dubai. We believe we have strong relationships with our suppliers and are able to procure good quality polished diamonds at competitive rates and credit terms. Over the years, we have diversified our supplier base and reduced our dependence on a few suppliers. Certain of our Indian diamond suppliers are also DTC sightholders, which means they are entitled to purchase diamonds directly from DTC.

The authenticity of our diamonds is certified by recognized certification agencies such as the Gemological Institute of Evaluation ("**GIE**"), Diamond High Council (Hoge Raad Voor Diamant) ("**HRD**") and the International Gemological Institute ("**IGI**"). We have expanded our sales and supplier base and implemented strict inventory, pricing and purchasing controls aimed at decreasing the impact of any future fluctuations in the price of polished diamonds.

Manufacturing

The following table sets forth certain information relating to our manufacturing facilities as of September 30, 2012:

Sr. No.	Location	Covered Area (sq. ft.)	Date of Commencement of Operations	Focus of operations	Owned/ Leased
1.	65 Noida SEZ, Uttar Pradesh	34,247	November 20, 2007	Jewellery for exports	Leased
2.	142A/3 Noida SEZ, Uttar Pradesh	3,938	March 3, 2011	Jewellery for exports	Leased

Sr. No.	Location	Covered Area (sq. ft.)	Date of Commencement of Operations	Focus of operations	Owned/ Leased
3.	F-50, Selaqui, Dehradun, Uttarakhand	8,611*	March 30, 2010	Jewellery for domestic market	Leased
4.	G-54, Selaqui, Dehradun, Uttarakhand	2,300	February 20, 2009	Jewellery for domestic market	Leased
5.	Sector 63, Noida, Uttar Pradesh	34,000	November 17, 2011	Jewellery for domestic market	Leased
*This is the total area as mentioned in the lease agreement for F-50, Selaqui, Dehradun, Uttarakhand and not the covered area of the manufacturing facility.					

In fiscal 2012 and for the six months ended September 30, 2012, 4,831.96 kg and 2,725.47 kg of gold, respectively, was processed at our own manufacturing facilities. As of September 30, 2012, we have established five jewellery manufacturing facilities in India. We have established two jewellery manufacturing facilities at Selaqui, Dehradun to cater to sales in India. These facilities produce jewellery for domestic consumption while certain finished jewellery production requirements are met by independent contractors. We have also established two gold jewellery manufacturing facilities at the Noida SEZ, primarily focused on export sales. In addition, in November 2011, we commenced manufacturing operations at an additional 34,000 sq.ft. jewellery manufacturing facility in Noida, Uttar Pradesh.

We believe that our manufacturing process is characterized by careful supervision and control over all stages of the jewellery manufacturing chain, while remaining flexible, efficient and responsive to consumer demands. Most of our jewellery is handmade by skilled craftsmen. They use designs to construct a model of the jewellery from which a rubber mould is made. This mould is then filled with wax and the wax replicas produced are put in a casting flask which is placed in a furnace. The wax melts leaving a cavity which is filled with gold or other precious metals thereby forming the jewellery. This is then filed, polished and set with stones. The jewellery is then sent for hallmarking before being distributed to our showrooms.

Outsourcing of jewellery manufacturing

In addition to our own manufacturing operations, we also outsource some of our jewellery manufacturing to independent contractors in India that manufacture jewellery based on designs that we develop and provide to these contractors. All of this jewellery is sold by us in our own showrooms. We also provide the requisite raw materials so that we pay these contractors only making charges. We do not enter into written agreements in connection with these outsourcing arrangements. We have established strong relationships with independent contract manufacturers at Kolkata, Rajkot, Coimbatore, Mumbai, Bikaner, Bhilwara, Jodhpur and Ahmedabad for the manufacture of region-specific jewellery. We believe that outsourcing the manufacturing of jewellery products to such independent contractors enables us to gain an insight into various customer preferences across different markets in India and also gives us access to a variety of designs customized for regional markets with which we may otherwise be unfamiliar. Our quality control department ensures that all our jewellery manufactured by independent contractors meets the same stringent quality standards used for our own manufactured jewellery. We also purchase some small quantities of other jewellery and articles such as silver made-ups, platinum jewellery and gift articles. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our purchase of traded goods amounted to 4.1%, 5.2%, 0.1% and 0.02% respectively, of our revenue from operations.

Quality Control

We seek to implement a stringent quality control process throughout our operations, from the point of procurement of raw materials to the sale of the finished products in our showrooms. We check the purity, quality and finish of the jewellery. Carat meters are used to check the purity of the jewellery. Following completion of quality control checks, the jewellery is sent to a government approved hall-marking centre for hall-marking in accordance with Bureau of Indian Standards ("**BIS**") norms before being stocked in our showrooms. All loose diamonds and precious stones are tested by independent certifying agencies such as GIE, HRD and IGI. A piece of jewellery is distributed to our showrooms only after all quality checks have been implemented.

Inventory Management and Logistics

Inventory management

We believe we have comprehensive internal controls in place to ensure that our entire inventory is closely monitored.

Our integrated operations enable us to implement efficient and flexible inventory management due to our showroom network which facilitates a rotation of stock based on feedback from our marketing teams and our customers, thereby contributing to a reduction in our finished inventory holding period. From time to time, pieces of jewellery are purchased to replenish the stock sold and the total stock of inventory in each showroom is maintained at pre-set levels for peak and off-peak seasons. Showroom inventory in each of our showrooms is reorganized on the basis of feedback from our marketing teams and our customers. Slow-moving inventory is moved to other showrooms that may be more suitable for that particular jewellery product or design.

A budget is created at the beginning of each year for the procurement of our gold and diamonds that takes into account sales targets for that year. We regularly analyze our sales figures against our annual sales targets and adjust the distribution of our jewellery amongst our showrooms as necessary, as well as our marketing and advertising campaigns with the objective of keeping our sales figures on target at all times.

We individually tag each item that is sold in our showrooms to allow inventory tracking that is reconciled with the accounts on a daily basis. We perform physical inventory checks at approximately 30-to 60-day intervals. Individual showroom managers are expected to perform their own daily inventory checks at the end of each day.

Logistics

Raw materials to our manufacturing facilities and finished products to-and-from our showrooms are transported by road and air cargo through third-party carriers. Armed security guards are used for transporting smaller quantities of goods to our showrooms in our own vehicles over short distances while secured couriers are used for long distances. Certain inventory is also transported by senior employees in person and they travel by air. When receiving jewellery, the showroom manager is required to check the jewellery against the appropriate transfer documentation before acknowledging receipt of the jewellery.

Security

Goods in transit within India are closely tracked and are subject to strict security procedures. All goods transported by courier are sealed in packaging that carry tracking numbers and require the signature of designated individuals at the relevant showroom, who must confirm the receipt of the goods within a designated period of time. In addition, the goods that are to be transported within India or to our international distributors overseas are covered by a transit insurance policy.

Our showrooms and manufacturing facilities are equipped with closed-circuit television surveillance, linked to a digital video recorder or other video recording device, an intrusion alarm and a glass breakage alarm. These security systems are monitored by daily security audits. Our showrooms have a strong room for the safe storage of jewellery after opening hours. We have contracts with various reputable private security agencies who are required to provide armed security guards to all our showrooms, 24 hours a day. In addition, the stock at all our showrooms is tallied on a daily basis before closing the showrooms.

Marketing and Advertising Initiatives

We believe that brand value is an increasingly important factor in customers' buying decisions in the jewellery sector in India. Accordingly, we focus on brand-building by emphasizing the quality of our product design and the exclusivity of our products in all our marketing initiatives. We believe that our brand is well established in north and central India and we believe that our product designs have found favor in India.

As the majority of our income is derived from our retail operations, maintaining public awareness of our brand is crucial to our business and we accordingly invest in marketing and advertising campaigns. Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes on festivals and other occasions such as Durga Puja, Akshay Tritiya, Dhanteras, Diwali and Christmas which occur in the third and fourth quarter of the fiscal year. We offer various promotions and implement innovative marketing campaigns throughout the year to boost sales in both busy and quiet periods. Our promotional campaigns are streamlined with our design and product development functions. We leverage national television advertising, cinema advertising, event sponsorships, hoardings, print media and customer relationship marketing, among other initiatives, to grow our share of relevant marketing messages. In fiscal 2010, 2011, 2012 and for the six months ended September 30, 2012, our advertisement expenditure was ₹ 61.19 million, ₹ 122.56 million, ₹ 264.06 million and ₹ 92.76 million, respectively, and expressed as a percentage of total domestic sales in such periods, was 0.9%, 0.9%, 1.3% and 0.7%, respectively. We were one of the associate sponsors of the grand finale of India International Jewellery Week, Filmfare Awards in 2010, 2011 and 2012, the Delhi Couture Week 2012 and title sponsors for the Mijwan Welfare Society charity event held in September 2012. Special promotions during festivals and showroom openings are designed to increase traffic through our showrooms and encourage customers to make purchases. We host events such as the PCJ Gold Bangle Festival, PCJ Diamond Festival and PCJ Kundan Festival in order to increase footfalls in our showrooms. These promotions vary from year to year and among showrooms. We have expanded our advertising strategy to include newspaper inserts and radio promotion. In addition, our marketing activities are carefully tested and their success monitored by sales productivity.

We have implemented several customer-oriented marketing schemes and policies, for example, our "Jewels for Less" scheme, which enables our customers to make advance payments in monthly installments during the scheme period to purchase, at the end of such period, jewellery of a value higher than the aggregate advance amounts paid. The installment payable per month is at the discretion of the subscriber to the scheme, subject to a minimum contribution of ₹ 1,000.00 per month and each such contribution being made in multiples of ₹ 1,000.00. At the end of the 12 month period, the subscriber can purchase gold and/or diamond jewellery at the prevailing market rate as on the day of purchase of such jewellery worth the amount payable for a period of 14 months, thereby obtaining jewellery of a value higher than the aggregate advance amount paid. In the event that the subscriber discontinues his participation in the scheme prior to the 12 month maturity period, the subscriber is required to purchase jewellery equivalent to the amount that has been contributed by the subscriber under the scheme until such discontinuation and no cash refunds are made to the subscribers by us. In addition, we have recently commenced the "Swarn Manjusha" scheme, which also enables our customers to make advance payments in monthly installments during the scheme period and purchase jewellery at the prescribed discounted rates at the end of the completion of the relevant periods and also enables the subscriber to fix the rate of the gold (for 24 carat quality gold) as on the date of payment under the scheme. The installment payable per month is at the discretion of the subscriber to the scheme, subject to a minimum contribution of ₹ 1,000.00 per month and each such contribution being made in multiples of ₹ 1,000.00. The customers can choose the duration of the scheme which can be for 12 months, 24 months or 36 months, respectively and redemption of up to 90% of the accumulated grams is permitted only after completion of at least six months from the date of the subscriber joining the scheme. The prescribed discounted rates applicable on redemption are 10%, 15% and 20% on the making charges of gold jewellery and 10%, 12% and 15% on the tagged price for diamond jewellery, upon completion of the scheme, i.e. after 12 months, 24 months or 36 months, respectively. The subscribers to this scheme can only redeem under the scheme in the same showroom where they had subscribed to the scheme and their right to redeem is not transferable to any other of our showrooms. If the subscriber discontinues his participation in the scheme prior to the relevant maturity period, the subscriber is required to purchase jewellery equivalent to the amount that has been contributed by the subscriber under the scheme until such discontinuation, subject to a penalty of 5% on the gold grams accumulated. No cash refunds, bonus, or interest is payable by the Company under the terms of the scheme. In addition, silver and gold coins, raw gold and solitaires cannot be redeemed under this scheme.

We have, in certain festive seasons, also implemented a free gold coin scheme for promoting sales at our various showrooms wherein a 1 gram of gold coin is given to the customers free of cost upon purchase of diamond jewellery amounting to ₹ 30,000 and above and a 0.5 gram of gold coin is given to the customers free of cost upon purchase of gold jewellery amounting to ₹ 50,000 and above. We extend a full refund policy for jewellery items returned within seven days of purchase (30 days if purchased online), as well as a free lifetime repair service. We also offer a buy-back policy for our diamond jewellery at a minimum of 90.0% of the invoice price, excluding applicable taxes, and in the case of gold jewellery, at the value of gold in such jewellery at then prevailing market rates, excluding applicable taxes. We encourage customer loyalty by organizing social events at our showrooms. All these policies contribute to building our customers' trust in the quality of our products and the reliability of our customer service.

Competition

We face competition from both the organized and unorganized sectors of the jewellery retail business. However, according to the CARE Report, the organized sector accounted for approximately 5%-6% of the jewellery retail market, if the national level players in the organized market are considered, and approximately 16%-18% of the jewellery retail market, in the event the regional players are also included. The rest of the market is made up of independent jewellery showrooms and small family run operations. We also face competition in some regions from certain regional players. However, we believe that there are significant barriers to entry into the business of manufacturing and retailing jewellery in India. Among the most important of these barriers is the need for significant working capital to purchase gold and diamonds, the long-term relationships required to have access to adequate supplies of diamonds, the limited number of persons with the skills necessary to manufacture high quality jewellery, the difficulty in obtaining access to upscale channels of distribution, the importance of public recognition of an established brand name, a reputation for jewellery-making excellence, and the development of systems to report on and monitor the manufacturing and distribution network. In our domestic retail business, we believe that our primary competitors are Tanishq (Titan Industries Limited), Tribhovandas Bhimji Zaveri, Gitanjali Gems and Joyalukkas.

Insurance

We have purchased several insurance policies in order to manage the risk of losses from potentially harmful events, including: (i) a jeweller's block policy covering theft, fire, breakage, robbery, larceny, damage to jewellery and transportation and handling of jewellery and currency; (ii) a cash in transit insurance policy covering transit of cash from the office/showroom to a bank and vice versa or for transit of cash after collection from clients; (iii) a machinery insurance policy covering any losses caused due to any unforeseen and sudden physical damage by any cause not specifically excluded; (iv) a special contingency insurance policy for our manufacturing facilities in Selaqui, Dehradun, Uttarakhand, Plot no.142A/3, Noida SEZ, and Sector 63, Noida, Uttar Pradesh covering theft, fire, breakage, robbery, larceny, damage to jewellery and transportation and handling of jewellery and currency; and (v) courier insurance policy to cover transit of jewellery from manufacturing facility to head office and showrooms. We have in the past purchased and are in the process of renewing a directors and officers liability insurance policy covering losses and claims arising from damages, judgments, settlements, legal fees and costs (excluding fines, statutory penalties, punitive and exemplary damages deemed uninsurable under Indian laws) made against the Directors or officers on account of any wrongful act committed in the capacity as Directors or officers of the Company. The insurance policies are reviewed periodically to ensure that the coverage is adequate. Our insurance covers all our facilities, including our corporate office, showrooms and manufacturing facilities.

Information Technology

We rely on our IT systems to provide us with connectivity across our business functions and showrooms. We are in the process of implementing a new ERP system to assist in managing our operations. The new system will allow increased connectivity and functionality in order to keep pace with our expanded operations.

Intellectual Property

We have registered "*PC Jewellers*" as our trademark. We have also applied to the trademarks registry to register "*PC Jeweller*" and our logo as trademarks and these applications are currently pending approval. We have registered or have applied for registration for several trademarks in connection with our business, in India. We are yet to receive registration for some of our trademarks from the Registrar of Trademarks. For further information on the intellectual property of our Company, see ***"Government and Other Approvals"*** and "***Outstanding Litigation and Material Developments***" on page 314 and 310, respectively. In addition, we are also aware of other entities that are using "*PC Jeweller*" or similar trade names in the jewellery retail industry that may result in confusion among customers and loss of business. For further information, see "Risk Factor - ***The use of "PC Jeweller" or similar trade names by third parties may result in loss of business to such third parties, and any potential negative publicity relating to such third parties may adversely affect our reputation, the goodwill of our brand and business prospects"*** on page 18.

Human Resources

The following table sets forth the number of persons employed in the various roles in our Company as of September 30, 2012:

Category	No. of Employees
Manufacturing and Designers	301
Retail sales	1,143
Administration / Management	179
Total	**1,623**

We provide regular training to our employees, sometimes with the assistance of external consultants. We monitor our employees' skill levels and provide targeted training programs to improve their skills. We focus in particular on increasing the efficiency of our sales teams. Our employees also enjoy various benefits including , annual leave and provident fund. We have also recently adopted an employee stock option scheme. For further information, see "***Capital Structure***" on page 71.

Properties

We have interests in a number of properties in India for our corporate purposes, manufacturing operations and retail operations in India. We lease our Registered Office and Corporate Office in New Delhi and our manufacturing facilities in Noida, the Noida SEZ and Dehradun have also been set up on leased property. We also currently lease all our showrooms except Chandigarh, which is owned and operated by third parties. In addition, we have purchased land for a proposed showroom in Jalandhar, Punjab.

REGULATIONS AND POLICIES IN INDIA

The following is an overview of the important laws, regulations and policies which are relevant to our business in India. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Except as otherwise specified in this Red Herring Prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Sales Tax Act, 1956, various labor laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

TRADE RELATED LEGISLATIONS

Foreign Investment

While under India's current Foreign Direct Investment ("**FDI**") Policy, effective from April 10, 2012, FDI up to 100% through the automatic route is permitted in the gems and jewellery sector, FDI in retail trading is restricted. Subject to certain conditions, FDI up to 100% through the government route, in the retail trading of 'single brand' products is allowed. Subject to certain conditions, FDI up to 51% through the government route, in the retail trading of 'multi-brand' products is permitted.

Investment by Foreign Institutional Investors

Foreign institutional investors ("**FIIs**") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in securities traded on the primary and secondary markets in India subject to various requirements of the SEBI and the RBI. FIIs are required to obtain an initial registration from the SEBI to engage in transactions regulated under Foreign Exchange Management Act, 1999 (the "**FEMA**"). FIIs must also comply with the provisions of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. The initial registration and the RBI's general permission together enable a registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme specified in Schedule 2 of the Foreign Exchange Management Act (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "**FEMA 20**"), the overall issue of equity shares to FIIs/sub-accounts on a repatriation basis should not exceed 24% of post-issue paid-up equity capital of the company. However, this limit of 24% can be raised up to the permitted sectoral cap or statutory limit for that company after approval of the board of directors and the shareholders of the company by way of a special resolution. Further a prior intimation of such increase in limit, along with a certificate from the company secretary, stating that all relevant provisions of the FEMA and the FDI Policy have been complied with, has to be submitted to the RBI. The total holding of equity shares by a single FII or a SEBI approved sub-account cannot exceed 10% of the post issue paid-up equity capital of the company. In respect of an FII investing in equity shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account must not exceed 10% of the total issued equity capital of that company or 5% of the total issued capital in case such sub-account is a foreign corporate or an individual. Currently, the limit of FII holding in our Company is 24%.

Investment by NRIs

As per Section 5(3) of the FEMA 20, an NRI may purchase shares or convertible debentures of an Indian company either (a) on a stock exchange under the portfolio investment scheme, subject to the terms and conditions set out in Schedule 3 of FEMA 20; or (b) on a non – repatriation basis other than under portfolio investment scheme, subject to terms and conditions set out in Schedule 4 of FEMA 20.

Paragraph 2 of Schedule 4 of FEMA 20 provides that an NRI may, subject to certain conditions, without limit, purchase on non-repatriation basis, shares or convertible debentures of an Indian company, issued whether by public issue or private placement or rights issue. The amount of consideration for the acquisition of shares by an NRI on non – repatriation basis must be paid by way of an inward remittance through normal banking channels from abroad or out of funds held in NRE / FCNR / NRO account maintained with an authorized dealer or as the case may be with an authorized dealer in India. Please note that if the NRI is resident in Nepal or Bhutan, the payment can be made only by way of inward remittance in foreign exchange through normal banking channels.

Under Schedule 4, the amount invested in the shares or convertible debentures and the capital appreciation thereon are not allowed to be repatriated abroad.

Under Schedule 3 of FEMA 20, an NRI is permitted to purchase shares or convertible debentures of an Indian company through a registered broker on a recognized stock exchange, subject to certain conditions, including that the aggregate paid-up value of the equity shares of the Indian company purchased by an NRI, both on a repatriation and on a non-repatriation basis, should not exceed 5% of the paid-up value of the equity shares issued by such company. Further, the aggregate paid-up value of the equity shares of any company collectively purchased by all NRIs investing in such company should not exceed 10% of the paid-up capital of such company, provided that this aggregate ceiling may be raised to 24% if a special resolution to that effect is passed by the shareholders of the Indian company. Further, a prior intimation of such increase in limit, along with a certificate from the company secretary, stating that all relevant provisions of FEMA and the FDI Policy have been complied with, has to be submitted to the RBI. The consideration for the purchase of equity shares must be paid either through an inward remittance through normal banking channels or through funds held in the bank accounts in India as specified in FEMA 20. The net sale proceeds of equity shares purchased by an NRI on a repatriation basis under the portfolio investment scheme under Schedule 3 of FEMA 20 may, at the option of such NRI, be remitted abroad or credited to such NRI's bank account in India as specified in FEMA 20. Currently, the limit of NRI holding in our Company is 10%.

As per the existing regulations, OCBs cannot participate in the Issue. Further, QFIs, FVCI's and multilateral and bilateral development financial institutions are not eligible to participate in the Issue.

The RBI has, by a letter (FE.CO.FID/23413/10.78.000(38)/2011-12) dated April 4, 2012, clarified that FIIs participating in the Issue may be guided by Schedule 2 of the FEMA 20 and NRIs participating on repatriation or non-repatriation basis in the Issue may be guided by Schedules 3 and 4 of the FEMA 20, respectively.

Please note that non-residents, other than FIIs investing under PIS in accordance with Schedule 2 of the FEMA 20 and Eligible NRIs investing on non-repatriation basis in accordance with Schedule 4 of the FEMA 20, are not permitted to participate in the Issue.

Foreign Trade (Development and Regulation) Act, 1992

The Foreign Trade (Development and Regulation) Act, 1992 ("**FTDRA 1992**") seeks to develop and regulate foreign trade by facilitating imports into and augmenting exports from India. The FTDRA 1992 prohibits a person or company from making any exports or imports unless such a person or company has been granted an importer-exporter code number.

Foreign Trade Policy 2009-2014

The revised foreign trade policy for the period of 2009- 2014 issued by the Ministry of Commerce and Industry, GoI includes gems and jewellery within the initiatives identified for special focus. The objective behind declaring a sector as a sector with special focus is to increase the percentage share of global trade in relation to that sector and expanding employment opportunities within the sector. The GoI has provided an impetus to the gems and jewellery industry with the following trade policies:

i) Import of gold of 8 carat and above under replenishment scheme subject to import being accompanied by a specified certificate specifying the purity, weight and alloy content;
ii) Duty free import of consumables, for jewellery made out of:
    a) Precious metals (Other than gold and platinum) up to 2%;
    b) Gold and Platinum up to 1%;

c) Rhodium finished silver up to 3%;

d) Cut and Polished Diamonds up to 1%;

iii) Duty free import entitlement of commercial samples is ₹ 300,000;

iv) Duty free re-import entitlement for rejected jewellery up to 2% of free on board value of exports;

v) Imports of diamonds on consignment basis for certification/ grading and re- export by the authorized offices/ agencies of GIA in India or other approved agencies is permitted;

vi) Personal carriage of gems and jewellery products in case of holding/ participating in overseas exhibitions increased to US$ 5,000,000 and to US$ 1,000,000 in case of export promotion tours;

vii) Extension in number of days for re-import of unsold items in case of participation in an exhibition in USA increased to 90 days; and

viii) Proposal to establish a diamond bourse in an endeavour to make India an international trading hub for diamonds.

Gem and Jewellery Export Promotion Council

The GoI has designated the Gem and Jewellery Export Promotion Council ("**GJEPC**") as the importing and exporting authority in India in keeping with its international obligations under Section IV(b) of the Kimberley Process Certification Scheme ("**KPCS**"). The GJEPC has been notified as the nodal agency for trade in rough diamonds. The KPCS is a joint government, international diamond and civil society initiative to stem the flow of conflict diamonds, which are rough diamonds used by rebel movements to finance wars against legitimate governments. The KPCS comprises participating governments that represent approximately 99.8% of the world trade in rough diamonds. The KPCS has been implemented in India from January 1, 2003 by the GoI through communication No. 12/13/2000-EP (GJ) dated November 13, 2002. However, under the Special Economic Zones Rules, 2006, the Development Commissioners have been delegated powers to issue Kimberley Process Certificates for units situated in the respective Special Economic Zone (the "**SEZ**").

RBI Circulars regulating Gold Loans

The RBI has permitted nominated banks to import gold for purposes of extending gold metal loans to domestic jewellery manufacturers subject to certain conditions, including that the tenor of the gold loans (which can be decided by the nominated banks) does not exceed 180 days from the date of procurement of gold and the interest charged to the borrowers is linked to the international gold rates.

The RBI has also permitted nominated agencies and approved banks to import gold on loan basis for on-lending to exporters of jewellery, subject to certain conditions, including that the maximum tenor of gold metal loans does not exceed 270 days from the date of procurement of gold by the exporter based on the foreign trade policy 2009-2014. Gems and jewellery export oriented units and specified units in SEZs are permitted to import gold on a loan basis directly or through nominating agencies, subject to specified conditions.

Pursuant to the Second Quarter Review of the Monitory Policy 2012-13, issued by the RBI on October 30, 2012, the RBI has prohibited the banks from granting any advance against gold bullion to gold dealers or traders, if, in the assessment of the banks, such advances are likely to be utilized for purposes of financing gold purchase at auctions and/or speculative holding of stocks and bullion. In addition, the RBI has also sought to impose a prohibition on the banks from financing the purchase of gold in any form, other than working capital facilities.

LABOR RELATED LEGISLATIONS

The Factories Act, 1948

The Factories Act, 1948 (the "**Factories Act**") seeks to regulate labor employed in factories and makes provisions for the safety, health and welfare of the workers. It applies to industries in which (i) 10 or more than 10 workers are employed on any day of the preceding 12 months and are engaged in the manufacturing process being carried out with the aid of power, or (ii) 20 or more than 20 workers are employed in the manufacturing process being carried out without the aid of power. Each State has enacted rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. The Factories Act also provides for fines to be paid and imprisonment of the manager of the factory in case of any contravention of the provisions of the Factories Act.

Depending upon the nature of the activity undertaken by us, additional applicable labor laws and regulations include the following:

- The Employee's Compensation Act, 1923;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employee's State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936; and
- The Industrial Disputes Act, 1947.

ENVIRONMENTAL REGULATIONS

The Environment Protection Act, 1986 (the "**Environment Protection Act**"), Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") provide for the prevention, control and abatement of pollution. Pollution Control Boards ("**PCBs**") have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (the "**Hazardous Waste Rules**") impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the relevant PCB for collecting, storing and treating the hazardous waste.

TAX RELATED LEGISLATIONS

Sales Tax (Value Added Tax) / Central Sales Tax / Import Duty and Excise Duty

Sales tax is levied on the sale of movable property in goods. In India, sales tax is levied both at the federal level under the Central Sales Tax Act, 1956 as well as the state level under the respective state legislation.

Goods sold within the jurisdiction of a state are charged to Value Added Tax ("**VAT**") in accordance with the VAT statute of that state. All the states have in force a separate VAT statute which prescribes the rates at which VAT will be levied on taxable goods sold within that state. VAT is usually payable by a 'dealer' of goods (i.e. a person who carries on the business of selling or purchasing goods within a state) on its sales turnover. Depending on the schedule in which a good is categorized, VAT would be either exempt or levied at the rate of 1%, 4%, 12.5% or such other rate as the State Government notifies from time to time.

Central Sales Tax ("**CST**") is levied in accordance with the Central Sales Tax Act, 1956 on movable goods sold in the course of inter-state trade or commerce. CST is payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate. However, a dealer is entitled to a concessional rate of 2% CST on goods which are sold to another registered dealer who intends to further re-sell them or use them in the manufacture or processing for further sale or for certain other specified purposes, subject to the condition that the purchasing dealer issues a statutory form "C" to the selling dealer.

Pursuant to notifications (No. 12/2012-Customs and No. 2/2012-Customs), issued by the Ministry of Finance, GoI, the import duty payable on gold bars (other than tola bars) and platinum is 4% of the value of gold or platinum being imported and the import duty payable on silver is 6% of the value of silver being importer. The notifications also introduce a custom duty of 2% on polished colored gems and a custom duty of 2% on non-industrial diamonds including lab grown diamonds (other than rough diamonds). Pursuant to notification (No. 12/2012 – Central Excise), issued by the Ministry of Finance, GoI, the excise duty on (i) gold bars, other than tola bars starting from the stage of gold ore or concentrate; and (ii) gold bars and coins of purity not below 99.5%, is 3%. The gold coins of purity 99.5% and above, and silver coins of purity 99.9% and above are fully exempt from excise duty. Further, pursuant to the Finance Bill 2012-2013, Income Tax Act, 1961 ("**Income Tax Act**") has been amended to impose an additional tax of 1% to be collected at source from the buyer in case of purchases of jewellery or bullion, if the value of the jewellery or bullion purchased by the buyer exceeds ₹ 500,000 and ₹ 200,000, respectively.

MISCELLANEOUS REGULATIONS

The Shops and Establishments Act

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the "**Trade Marks Act**") provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Application for trademark registry has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Special Economic Zone

A SEZ is a geographically bound duty free zone for the purposes of trade and operations. SEZs were first introduced in April, 2000 as a part of the Export-Import Policy. The Special Economic Zones Act, 2005 (the "**SEZ Act**") and the Special Economic Zones Rules, 2006 (the "**SEZ Rules**") simplified the procedure for development, operation and maintenance of the SEZs and for the setting up of and conducting business in the SEZs. Under the SEZ Act and the SEZ Rules, the incentives and facilities offered to the SEZ units include:

- duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units;
- exemption from custom duties, central excise duties, service tax, central sales taxes and securities transaction tax to both the developers and the units;
- 100% income tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act, 1961 for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for the next five years; and
- Subject to certain conditions, external commercial borrowing by SEZ units up to USD 500 million in a year without any maturity restriction through recognized banking channels.

For setting up a unit in an SEZ, a letter of approval has to be obtained from the Development Commissioner of the concerned SEZ. The grant of a letter of approval is dependent upon the unit meeting certain terms and conditions, as set out in the SEZ Act and the SEZ Rules. Such conditions include, among other things, the achievement of positive net foreign exchange to be calculated cumulatively for a period of five years from the commencement of production, in accordance with the formula set out in the SEZ Rules and the execution of a bond-cum-legal undertaking with regard to its obligations pertaining to proper utilization and accountal of goods, imported or procured duty free and the achievement of positive net foreign exchange.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on April 13, 2005 in New Delhi under the Companies Act as a private limited company under the name 'P Chand Jewellers Private Limited' with the RoC. Pursuant to a resolution passed by our shareholders in their meeting dated September 15, 2007, the name of our Company was changed to 'PC Jewellers Private Limited', and a fresh certificate of incorporation was issued on October 16, 2007. Further, pursuant to a resolution passed by our shareholders in their meeting dated November 25, 2009, the name of our Company was changed to 'PC Jeweller Private Limited', and a fresh certificate of incorporation was issued on December 9, 2009. The aforementioned changes in our name were undertaken for marketing reasons. Pursuant to a resolution passed by our shareholders on July 5, 2011, our Company was converted into a public limited company, following which our name was changed to 'PC Jeweller Limited', and a fresh certificate of incorporation was issued on August 2, 2011.

Our Company has 12 equity shareholders, as on the date of filing of this Red Herring Prospectus. For further information, see "***Capital Structure***" on page 71.

Changes in Registered Office:

The Registered Office of our Company is situated at 24/2708, Bank Street, Karol Bagh, New Delhi 110 005, India. The Registered Office of our Company has not changed since its incorporation.

Major Events

Calendar Year	Event
2005	• Our Company was incorporated as 'P Chand Jewellers Private Limited' • Opening of showroom at Karol Bagh (New Delhi)
2007	• Opening of two showrooms at Noida and Panchkula (New Delhi) • Commencement of export operations from the manufacturing unit at the Noida SEZ
2008	• Opening of two showrooms at Faridabad and Dehradun
2009	• Commencement of operations at the manufacturing unit in Selaqui, Dehradun • Opening of two showrooms at Pitampura (New Delhi) and Chandigarh
2010	• Commencement of operations at the second manufacturing unit at Selaqui, Dehradun • Opening of nine showrooms at Preet Vihar (New Delhi), Ghaziabad, Gurgaon, Lucknow, Indore, Bhopal, Raipur, Jodhpur and Bhilwara
2011	• Conversion of our Company from a private limited company to a public limited company • Commencement of operations from the second export unit in the Noida SEZ • Opening of eight showrooms at Ludhiana, Haridwar, Bilaspur, Pali, South Extension (New Delhi), Beawar, Ajmer and Amritsar • Commencement of operations at the manufacturing unit in Noida
2012	• Opening of six showrooms at Kanpur, Rohtak, Indirapuram (Ghaziabad), Rajouri Garden (New Delhi), Kingsway Camp (New Delhi) and Greater Kailash-I (New Delhi)

Awards, certifications and recognitions

We have received the following, awards, certifications and recognitions.

Calendar Year	Award/Certification/Recognition
2006	Our Company was awarded the 'Best Showroom' award for Diamond Season 2005 by the B2C Consultants, brand architects.
2008	Our Company was awarded "Jeweller of the Year" in the Business Sphere Awards by the Business Sphere Group, Academicians Bureau Publications Private Limited.
2011	Our Company was awarded "Highest Exporter" and "Best Exporter (Gems and Jewellery Sector)" by the Noida SEZ, Department of Commerce, Ministry of Commerce and Industry, GoI for the year 2009-2010
	Our Company was awarded "Highest Exporter (SEZ Unit)" and "Best Exporter (Gems and Jewellery Sector)" by the Noida SEZ, Department of Commerce, Ministry of Commerce and Industry, GoI for the year 2010-2011
2012	Our Company was awarded "Niryat Shree Silver Trophy" in the Gems & Jewellery non-MSME category, by the Federation of Indian Export Organisations, set up by the Ministry of Commerce and Industry, GoI, for the year 2009-2010

For details pertaining to certifications received from BIS, see “***Government and Other Approvals***” on page 314.

Our Main Objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

Clause	Particulars
(A) 1.	To carry on the business of manufacturing, trading, import, export of all kinds of gold, silver, platinum, diamond jewellery and ornament.
(A) 2.	To cut, saw, clean, polish, sort drill, string, and set up lapidary of diamonds, precious and semi-precious stones and to buy, sell import, export and otherwise deal in rough and polished diamonds, both industrial and gem quality and other precious and semi-precious gems, pearls and stones.
(A) 3.	To carry on the business of testing, evaluation, appraisal and certification of gemstones, jewellery, minerals, curios, antiques, and other works of art and to work as certified valuers.
(A) 4.	To carry on the business of manufacturing, trading, import and export of gold and silver jewellery, gold, silver, precious and semi-precious stones and metals.
(A) 5.	To carry on the business of gold, diamond, silver precious and semi-precious stones. To trade and deal in diamond, silver, precious and semi precious imitation jewellery of all kinds.
(A) 6.	To trade and deal in, manage, purchase or otherwise acquire and sell, dispose of import, export, exchange, hold and deal in diamond, precious stone, gold and silver chains, bullion and jewellery, pearls, coins, cups, medals, shields, curious articles of virtue, art and antiques and to deal, trade and establish showroom, shop, for trading of goods for the above business.

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Amendment/ Shareholders Resolution	Amendment
September 30, 2006	Clause V of the Memorandum of Association was replaced by the following: “*The Authorized Capital of the Company is ₹ 22,00,00,000/- (Rupees twenty two crore) divided into 2,20,00,000 (Two crore and twenty lakh) Equity Shares of ₹ 10/- (Rupees ten) each.”*
September 15, 2007	Clause I of the Memorandum of Association was replaced by the following: “*The name of the company is PC Jewellers Private Limited*”
March 27, 2008	Clause V of the Memorandum of Association was replaced by the following: “*The Authorized Capital of the Company is ₹ 30,00,00,000/- (Rupees thirty crore) divided into 3,00,00,000 (Three crore) Equity Shares of ₹ 10/- (Rupees ten) each.”*
April 13, 2009	Clause V of the Memorandum of Association was replaced by the following: *“The Authorized Capital of the Company is ₹ 41,00,00,000/- (Rupees forty one crore) divided into 4,10,00,000 (Four crore and ten lakh) Equity Shares of ₹ 10/- (Rupees ten) each.”*
November 25, 2009	Clause V of the Memorandum of Association was replaced by the following: *“The Authorized Capital of the Company is ₹50,00,00,000/- (Rupees fifty crore) divided into 5,00,00,000 (Five crore) Equity Shares of ₹10/- (Rupees ten) each.”*
	Clause I of the Memorandum of Association was replaced by the following: “*The name of the company is PC Jeweller Private Limited*”
July 5, 2011*	Clause I of the Memorandum of Association was replaced by the following: “*The name of the company is PC Jeweller Limited*”
August 2, 2011	Clause V of the Memorandum of Association was replaced by the following: *“The Authorized Capital of the Company is ₹ 1,60,00,00,000/- (Rupees one hundred and sixty crore) divided into 16,00,00,000 (Sixteen crore) Equity Shares of ₹ 10/- (Rupees ten) each.”*
August 30, 2011	Clause V of the Memorandum of Association was replaced by the following:

Date of Amendment/ Shareholders Resolution	Amendment
	"The Authorized Capital of the Company is ₹2,00,00,00,000/- (Rupees two hundred crore) divided into 20,00,00,000 (Twenty crore) Equity Shares of ₹10/- (Rupees ten) each."

**A fresh certificate of incorporation was issued on August 2, 2011, pursuant to conversion of our Company from a private limited company to a public limited company.*

Other details regarding our Company

Details regarding the description of our activities, the growth of our Company, exports, technological and managerial competence, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/facility creation, location of manufacturing facilities, marketing and competition

See "***Our Business***" and "***Our Management***" on pages 121 and 144, respectively.

Injunction or restraining order, if any, with possible implications

Our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Except for the acquisition of a total of 10,000 equity shares of SSPL from Ms. Shivani Gupta, Ms. Manju Garg, Mr. Amar Chand Garg and Mr. Balram Garg on July 9, 2011, by our Company and Mr. Balram Garg as a nominee of our Company, pursuant to which SSPL became our wholly owned subsidiary, our Company has neither acquired any entity, business or undertakings nor undertaken any mergers, amalgamation and revaluation of assets. Pursuant to a resolution dated April 14, 2012, the Board of Directors approved the transfer of a total of 10,000 equity shares of SSPL, held by our Company, to certain third party individuals, at a price of ₹ 236.00 per equity share. For further details, see "***History and Certain Corporate Matters – Subsidiary***" on page 142.

Capital raising activities through equity and debt

Except as mentioned in "***Capital Structure***" on page 71, our Company has not raised capital through equity.

For a description of our Company's debt facilities, see "***Financial Indebtedness***" on page 271.

Changes in the activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling with financial institutions or banks. Further, none of our loans have been converted into Equity Shares.

Lock outs and strikes

There have been no lock outs or strikes at any of the manufacturing units or showrooms of our Company. For more information, see "***Risk Factors – Any future labor disputes or strikes or work stoppages could lead to lost production and/or increased costs"*** on page 33.

Time and cost overruns

There has been no time or cost overrun in the setting up of any of the manufacturing units or showrooms of our Company.

Holding Company

As on date of this Red Herring Prospectus, our Company does not have a holding company.

Subsidiary

As on the date of this Red Herring Prospectus, our Company does not have any subsidiaries.

SSPL had become our subsidiary on July 9, 2011 pursuant to transfer of a total of 10,000 equity shares of SSPL to our Company, including transfer of 5,000 equity shares by Ms. Shivani Gupta at a consideration of ₹ 10 per equity share, 4,500 equity shares by Ms. Manju Garg at a price of ₹ 10 per equity share, 400 equity shares by Mr. Amar Chand Garg at a price of ₹ 10 per equity share and 100 equity shares by Mr. Balram Garg at a price of ₹ 10 per equity share. Pursuant to a resolution dated April 14, 2012, the Board of Directors approved the transfer of a total of 10,000 equity shares of SSPL, held by our Company, to certain third party individuals, at a price of ₹ 236.00 per equity share which is equal to the intrinsic value of equity shares of SSPL as certified by Sharad Jain Associates, Chartered Accountants, on April 12, 2012. Since SSPL was a non-operating subsidiary and had been incurring losses, our Company, with the intent to focus on its core business and achieve greater operational efficiency, has transferred the equity shares held by it in SSPL.

Our Company entered into a lease deed dated April 28, 2011 with SSPL pursuant to which our Company has taken on lease the premises of our manufacturing unit situated at J-59, Sector 63, Noida, Uttar Pradesh having an aggregate area of 34,000 sq. ft., for a period of three years with effect from May 1, 2011. Our Company pays a monthly rent of ₹ 0.60 million for the abovementioned premises.

Our Company had made certain advances to SSPL in fiscal 2012 for constructing, renovating and furnishing the manufacturing facility situated at J 59, Sector 63, Noida that has been leased by SSPL to our Company. As on March 31, 2012, a principal amount of ₹ 85,763,627 was payable by SSPL to our Company. The loan taken by SSPL from our Company is unsecured. In connection with this loan, our Company has entered into a loan agreement dated April 17, 2012 with SSPL (the "**Loan Agreement**"). Under the terms of the Loan Agreement, SSPL is required to repay, from April 17, 2015 (a period of three years from April 17, 2012, the date of the Loan Agreement), the entire principal amount, together with a simple interest of 10% charged with effect from April 1, 2012, in 14 installments within seven years, from April 17, 2015. If SSPL defaults in the payment of installments within 30 days of such installments becoming due, a penal interest of 12% per annum, compounded half-yearly, is to be charged on the defaulted amount from the date of such default. Under the Loan Agreement, SSPL has agreed to continue to provide corporate guarantee and collateral security in favor of our lenders for our secured financing arrangements. For details of the corporate guarantee and collateral security provided by SSPL in favor of our lenders, see "***Financial Indebtedness***" on page 271.

Collaboration Agreements

As on the date of this Red Herring Prospectus, our Company is not a party to any collaboration agreements.

Shareholders' Agreements

As on date of this Red Herring Prospectus, our Company has not entered into any shareholders' agreements.

Other Material Agreements

Management Agent Agreement entered into between Moksh Jewellers and our Company

Our Company entered into a management agent agreement dated April 1, 2012 ("**Management Agent Agreement**") with Moksh Jewellers, a partnership firm, for the management and operation of its showroom situated at SCF 29, Sector-22, Chandigarh, India. The Management Agent Agreement has been entered into on a principal to agent basis, wherein our Company has agreed to display, stock and sell jewellery products to customers through the abovementioned showroom, managed and operated by Moksh Jewellers, who shall act as our Company's agent. As per the terms of the Management Agent Agreement, Moksh Jewellers is required to stock, display and sell products supplied by our Company and must not deal with any other product inputs, intermediaries of any other company or a partnership firm or a sole proprietor or any other establishment, without the prior written consent of our Company. Further, Moksh Jewellers must sell the products in our Company's name and at prices fixed by our Company. Moksh Jewellers is also responsible for all expenses incurred or to be incurred in carrying on the business, including but not limited to, lease rent, statutory taxes and levies, wages, salaries and payments of any kind to employees, expenses relating to utilities and public services, expenses in connection to decoration and maintenance of the showroom, expenses incurred on customer relationship development and in engaging the services of security guards. Moksh Jewellers is also required to provide insurance for the premises and the fittings at its own cost. Our Company is responsible for the insurance coverage for the finished stock in the showroom.

Moksh Jewellers is eligible for a turnover based compensation, which is 35% of making charges earned on gold jewellery or silver jewellery sold, respectively, 10% of the value of total silver made-ups sold, 20% of the value of total diamond jewellery sold, 50% of the kundan jewellery making charges earned and a lumpsum amount of ₹ 50,000.00 per month on account of benefits passed on in regular course of business to important clients, at the showroom. A deduction of 25% of the charges incurred on local advertisements is permitted. The Management Agent Agreement provides that turnover based compensation packages may be changed by our Company and any such change will take effect from the date of communication to Moksh Jewellers by us.

The Management Agent Agreement is valid for a period of 10 years with effect from April 1, 2012. Our Company has the right to terminate the Management Agent Agreement by giving 15 days notice, in the event of violation by Moksh Jewellers of any of the terms contained in the Management Agent Agreement. The Management Agent Agreement can also be terminated by our Company at any time without cause before the expiry of the term by giving one months notice in writing. In case of premature termination of the Management Agent Agreement, Moksh Jewellers has the obligation to immediately hand over the actual physical possession of the premises, all properties, goods, articles fittings and fixtures to our Company enabling our Company to take over possession and continue the business operations from the abovementioned showroom premises. In case our Company chooses not to exercise such right, Moksh Jewellers has agreed not to engage in any business activities similar to the present business and other related businesses from the abovementioned showroom premises for the remaining period of the Management Agent Agreement or for a period of five years, whichever is longer. Upon failure to comply with such conditions Moksh Jewellers will be liable to pay liquidated damages of ₹ 50 million and other claimed damages. Furthermore, in case the Management Agent Agreement is terminated by efflux of time, Moksh Jewellers will be required to cease to carry on the same business from the said premises, from the date of such termination and must not engage in or carry on any similar business for a period of at least five years from such date. In case of failure to comply with the above mentioned condition, Moksh Jewellers will be liable to pay liquidated damages of ₹ 50 million and other claimed damages.

Our Company, Moksh Jewellers and Mr. Rajinder Singh have entered into an tripartite agreement dated August 1, 2012 (the "**Tripartite Agreement**"), pursuant to which the original lease agreement dated August 1, 2012 for the showroom situated in Chandigarh, between Moksh Jewellers and Mr. Rajinder Singh has been amended. Pursuant to the Tripartite Agreement, our Company has been granted joint possession, along with Moksh Jewellers, of the Chandigarh showroom, although the lease rent payable is required to be borne solely by Moksh Jewellers. Further, in the event of any dispute between Mr. Rajinder Singh and Moksh Jewellers, or between the partners of Moksh Jewellers, the complete leasehold rights of the Chandigarh showroom will be transferred to our Company only, provided that such dispute has not arisen due to violation of the terms and conditions of the lease deed. Further, our Company shall have to resolve such dispute, including the payment of rent or other dues, if any, before replacing and substituting Moksh Jewellers as the lessee under the lease deed dated August 1, 2012.

Strategic and Financial Partners

As on the date of this Red Herring Prospectus, our Company does not have any strategic or financial partners.

OUR MANAGEMENT

Our Articles of Association require us to have not less than three and not more than 12 Directors. We presently have four Directors which include our Chairman, our Managing Director and two independent Directors.

The following table sets out the current details regarding our Board as on the date of filing of this Red Herring Prospectus:

Name, Designation, Occupation, Term and DIN	Age (years)	Address	Other Directorships
Mr. Padam Chand Gupta **Designation**: Chairman (Non-executive Director) **Occupation**: Business **Term**: Liable to retire by rotation **DIN**: 00032794	58	1C, Court Road, Civil Lines, New Delhi 110 054, India	• Jagram Finvest Private Limited
Mr. Balram Garg **Designation**: Managing Director (Executive Director) **Occupation**: Business **Term**: Appointed for a period of five years with effect from July 1, 2011 **DIN**: 00032083	42	1C, Court Road, Civil Lines, New Delhi 110 054, India	• Trigun Infrastructures Private Limited • Amar Garments Private Limited
Mr. Manohar Lal Singla **Designation**: Independent Director **Occupation**: Professor **Term**: Liable to retire by rotation **DIN**: 03625700	54	23/4, Cavalry Lines Delhi University Campus, New Delhi 110 007, India	Nil
Mr. Krishan Kumar Khurana **Designation**: Independent Director **Occupation**: Legal practitioner **Term**: Liable to retire by rotation **DIN**: 00253589	55	A – 33, Nizamuddin East, New Delhi 110 013, India	Nil

All our Directors are Indian nationals and except Mr. Padam Chand Gupta and Mr. Balram Garg, who are brothers, none of our Directors are related to each other.

Details of Directors

Mr. Padam Chand Gupta is our Chairman and has been involved with our Company since incorporation. He has completed basic education. He has more than 20 years of experience in the jewellery industry. Prior to joining our Company, he worked for a family run business venture.

Mr. Balram Garg is our Managing Director and has been involved with our Company since incorporation. He holds a bachelor's degree in commerce from the University of Delhi, New Delhi. He has more than 20 years of experience in the jewellery industry. Prior to joining our Company, he worked for a family run business venture.

Mr. Manohar Lal Singla is an independent Director of our Company. He holds a bachelor's degree in engineering (mechanical) from Punjab University (Guru Nanak Engineering College, Ludhiana), a master's degree in business administration and doctor of philosophy in management from the University of Delhi, New Delhi. He has over 25 years experience in academics. He is currently a professor of management at the Faculty of Management Studies, University of Delhi, New Delhi. He joined our Board on September 20, 2011.

Mr. Krishan Kumar Khurana is an independent Director of our Company. He holds a master's degree in arts from Kurukshetra University, Kurukshetra. Mr. Khurana also holds a bachelors degree in law from the University of Delhi. Mr. Khurana is a practising advocate of the Supreme Court of India and the High Court of New Delhi. He represents the State of Punjab in his capacity as an Additional Advocate General. He has over 25 years experience in legal services industry. He joined our Board on September 20, 2011.

None of our Directors is or was a director of any listed companies during the last five years preceding the date of filing of this Red Herring Prospectus and until date, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such companies.

None of our Directors is or was a director of any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

Compensation of our Directors

Name of Director	**Date of last appointment/ re-appointment**	**Term**	**Compensation**	**Remuneration paid in Fiscal 2012** ***(in ₹ million)***
Mr. Padam Chand Gupta	April 13, 2005*	Liable to retire by rotation	Sitting fees	0.05
Mr. Balram Garg	July 1, 2011^	June 30, 2016	See "***–Terms and conditions of employment of our whole- time Director***" below	45.00
Mr. Manohar Lal Singla	September 20, 2011	Liable to retire by rotation	Sitting fees	0.05
Mr. Krishan Kumar Khurana	September 20, 2011	Liable to retire by rotation	Sitting fees	0.04

*****_Pursuant to a Board resolution dated June 3, 2011, Mr. Padam Chand Gupta resigned as a whole-time director and was appointed as a non-executive director on the Board with effect from July 1, 2011._

^ _Re-appointment of Mr. Balram Garg as the Managing Director of our Company for a period of five years._

We have not entered into any service contracts with our Directors providing for benefits upon termination of employment.

Terms and conditions of employment of our whole-time Director

Mr. Balram Garg was re-appointed as the Managing Director of our Company for a period of five years with effect from July 1, 2011 at the meeting of our Board held on June 3, 2011. He is entitled to a remuneration of ₹ 5.00 million per month plus other benefits that the Board may decide from time to time. Other expenses incurred for the business of the Company including for travel, boarding, lodging, entertainment and other out of pocket expenses are also borne by the Company.

The increase in Mr. Balram Garg's remuneration has been ratified by the Remuneration & Compensation Committee, pursuant to a resolution dated February 17, 2012, and our shareholders pursuant to a resolution dated March 15, 2012. Pursuant to the resolution dated February 17, 2012, passed by the Remuneration & Compensation Committee, Mr. Balram Garg's remuneration, in any financial year, shall not exceed 5.00% of the net profits of our Company, in accordance with the Companies Act. For further details see "***Risk Factors - The remuneration of our Managing Director, Mr. Balram Garg, has been increased to ₹ 5.00 million per month (or ₹ 60.00 million per annum) prior to the Issue. This transaction and any such similar related party transactions may have an adverse effect on our profitability and results of operations"*** on page 14.

Sitting Fees

Besides the above, we pay sitting fees of ₹ 5,000 for attending each meeting of the Board of Directors and ₹ 2,000 for attending each meeting of a committee of the Board to our non-executive directors.

Borrowing Powers of the Board of Directors of our Company

Our Articles of Association, subject to Sections 58A, 292 and 293 of the Companies Act, authorize our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed at the annual general meeting dated September 25, 2012, our shareholders have authorized our Board to borrow from time to time such sums of money as may be required, provided that such amount shall not exceed ₹ 40,000.00 million.

Corporate Governance

The provisions of the Equity Listing Agreements to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Equity Listing Agreements with the Stock Exchanges and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and Equity Listing Agreements to be entered into with the Stock Exchanges. The Board functions either on it's own or through various committees constituted to oversee specific operational areas.

The Board has four directors, of which two are independent Directors.

Committees of the Board

Our Company has constituted the following Board committees for compliance with corporate governance requirements:

a. Audit Committee

The Audit Committee was constituted by our Directors at their Board meeting held on September 20, 2011. The Audit Committee comprises:

1. Mr. Manohar Lal Singla (Independent Director) – *Chairman;*
2. Mr. Krishan Kumar Khurana (Independent Director); and
3. Mr. Balram Garg (Managing Director).

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and clause 49 of the Equity Listing Agreements and its terms of reference are as follows:

- overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- approving payment to statutory auditors for any other services rendered by the statutory auditors;

- reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;
  - (b) changes, if any, in accounting policies and practices along with reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions; and
  - (g) qualifications in the draft audit report.
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussing with the internal auditors any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
- approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
- carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Further**,** the Audit Committee shall mandatorily review the following:

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

As required under the Equity Listing Agreements, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, provided that there should be a minimum of two independent directors present.

b. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee was constituted pursuant to the resolution passed by our Board at its meeting held on September 20, 2011. The Shareholders'/Investors' Grievance Committee comprises:

1. Mr. Padam Chand Gupta (Non-executive Director) – *Chairman;*
2. Mr. Balram Garg (Managing Director); and
3. Mr. Krishan Kumar Khurana (Independent Director).

The scope and functions of the Shareholders'/Investors' Grievance Committee are as under:

Redressal of shareholders' and investors' complaints, including in respect of:

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

The Shareholders'/Investors' Grievance Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

c. Remuneration & Compensation Committee

The Remuneration & Compensation Committee was constituted pursuant to the resolution passed by the Board at its meeting held on September 20, 2011. The Remuneration & Compensation Committee comprises:

1. Mr. Krishan Kumar Khurana (Independent Director) – *Chairman*;
2. Mr. Padam Chand Gupta (Non-executive Director); and
3. Mr. Manohar Lal Singla (Independent Director).

The scope and functions of the Remuneration & Compensation Committee are as under:

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

The quorum for each meeting of the Remuneration & Compensation Committee shall be two members personally present.

Our Company, pursuant to a Board resolution dated September 23, 2011 and a shareholders resolution dated September 26, 2011 has adopted an employees' stock option plan, i.e., the ESOP 2011. The ESOP 2011 is administered by the Remuneration & Compensation Committee of our Board. For further details, see "***Capital Structure***" on page 71.

d. Selection Committee

The Selection Committee was constituted pursuant to the resolution passed by the Board at its meeting held on September 20, 2011. The Selection Committee comprises:

1. Mr. Krishan Kumar Khurana (Independent Director) – *Chairman*;
2. Mr. Balram Garg (Managing Director); and
3. Mr. Manohar Lal Singla (Independent Director).

The Selection Committee is responsible for assessing and recommending the appointment of relatives of Directors on the Board, for holding an office or place of profit in the Company with a salary exceeding ₹ 250,000 per month and carrying out any other function as may be assigned by the Board.

e. General Purposes Committee

The General Purposes Committee was constituted pursuant to the resolution passed by the Board at its meeting held on March 6, 2012. The General Purposes Committee comprises:

1. Mr. Padam Chand Gupta (Non-executive Director) - *Chairman*; and
2. Mr. Balram Garg (Managing Director)

Certain powers of the Board of Directors that are of recurring nature and relate to routine matters have been delegated to the General Purposes Committee. The General Purposes Committee is empowered to, among other things, (i) open new showrooms, factories or sales outlets and do other necessary and relevant acts for commencing business or operations at such showrooms, factories and sales outlets; (ii) take on lease, hire or purchase any movable or immovable property for the business of the Company; (iii) obtain registrations, licenses, approvals and renewals, file statutory returns, declarations and modifications with various governmental and other authorities under various applicable laws; (iv) sign and execute contracts, deeds, bonds, agreements, legal undertaking, affidavits and other ancillary documents; and (v) file, contest, withdraw or compromise legal suits, appeals, and settle claims.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares in our Company. The following table details the shareholding of our Directors in our Company, as on the date of filing of this Red Herring Prospectus:

Name of Director	Number of Equity Shares (Pre-Issue)	Percentage
Mr. Padam Chand Gupta*^	50,371,800	37.60
Mr. Balram Garg#^	66,002,700	49.27

* *An additional 5,340,000 Equity Shares are held by Ms. Krishna Devi, wife of Mr. Padam Chand Gupta.*

\# *An additional 310,200 Equity Shares are held by Ms. Pooja Garg, wife of Mr. Balram Garg.*

^ *An additional, 1,085,100 Equity Shares and 42,000 Equity Shares are also held by Padam Chand HUF and Balram Garg HUF, respectively.*

Interest of our Directors

Our whole-time Director may be deemed to be interested to the extent of remuneration paid to him for services rendered as a Director of our Company and reimbursement of expenses payable to him. For details see ***"-Details of terms and conditions of employment of our whole-time Director"*** above. Further, all our independent Directors are entitled to receive sitting fees for attending the Board/committee meetings within the limits laid down in the Companies Act and as decided by our Board. Mr. Padam Chand Gupta and Mr. Balram Garg are interested to the extent of being Promoters of our Company. For further details, see "***Our Promoters and Group Entities***" on page 155.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. Further, our Directors (except our Promoter Directors who have undertaken not to participate in the Issue) may also be deemed to be interested to the extent of Equity Shares that may be subscribed for and allotted to them, out of the present Issue. Such Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any employee stock options that may be granted to them under ESOP 2011. For details of ESOP 2011, see "***Capital Structure***" on page 71.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Red Herring Prospectus or proposed to be acquired by it.

Except as stated in the "***Financial Statements***" on page 163, our Directors do not have any other interest in the business of our Company.

In particular, our Company has executed certain lease deeds with Mr. Padam Chand Gupta and Mr. Balram Garg, two of our Directors, who are also Promoters of the Company, for use of certain premises owned by them. The details of such lease deeds are provided hereunder:

(a) Our Company entered into an agreement of lease dated April 15, 2007, with Mr. Padam Chand Gupta, Mr. Nitin Gupta, Mr. Sachin Gupta and Mr. Balram Garg for its Registered Office at 24/2708, Bank Street, Karol Bagh, New Delhi 110 005. The agreement is valid until March 31, 2016. Our Company pays a monthly rent of ₹ 20,700.00 and ₹ 10,350.00 to our Directors, Mr. Padam Chand Gupta and Mr. Balram Garg, respectively. Further, a monthly rent of ₹ 31,050 is also paid to each of Mr. Nitin Gupta and Mr. Sachin Gupta, who are our key managerial personnel.

(b) Our Company entered into an agreement of lease dated April 15, 2007, with Mr. Padam Chand Gupta, for its showroom at 2706-2707, Bank Street, Karol Bagh, New Delhi 110 005. The agreement is valid until March 31, 2016. Our Company pays a monthly rent of ₹ 186,300.00 to Mr. Padam Chand Gupta.

We believe that our Company is currently paying rent at less than market rates to the lessors for the abovementioned premises. Any new rental arrangements with our Promoters, the Promoter Group, Group Entities and/or key managerial personnel will be on an arms length basis and subject to the review of our Audit Committee in accordance with its terms of reference.

Further, pursuant to an agreement dated April 1, 2011, our Company has purchased the factory building situated at Plot No. 65, Noida SEZ, Noida, Uttar Pradesh, from PC Jewellers (Exports) for an aggregate consideration of ₹ 39.98 million. Mr. Balram Garg, Mr. Sachin Gupta and Ms. Manju Garg are currently the partners in PC Jewellers (Exports). For details see "***Financial Statements – Annexure XXX - Statement of Related Parties Transactions, as Restated***" on page 218.

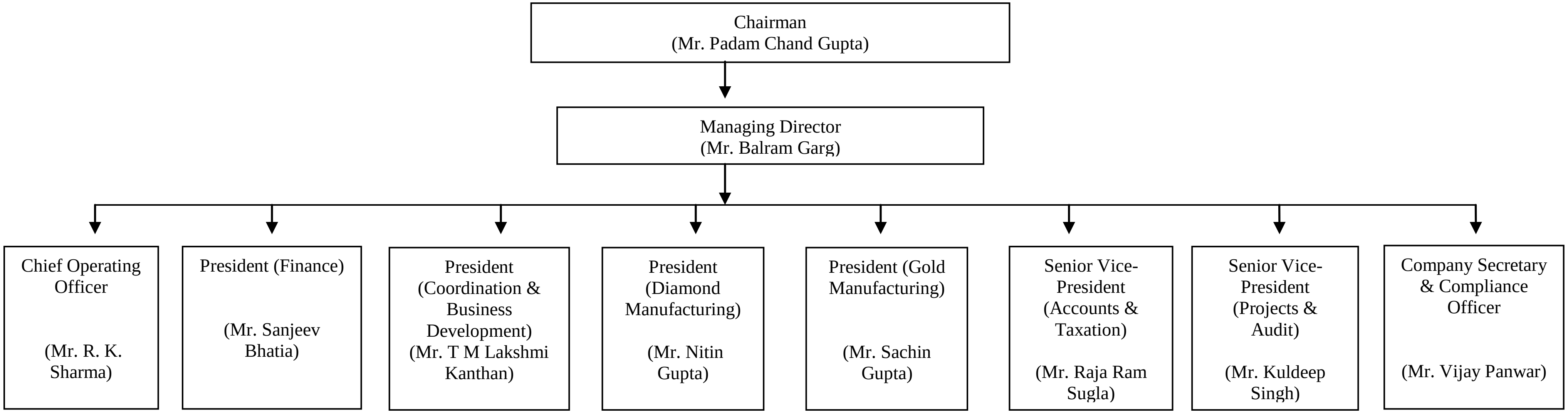
Changes in our Board of Directors during the last three years

The changes in the Board of Directors during the last three years are as follows:

Name of Director	Date of appointment	Date of cessation	Reason
Mr. Krishan Kumar Khurana	September 20, 2011	-	Appointment as an independent Director
Mr. Manohar Lal Singla	September 20, 2011	-	Appointment as an independent Director
Mr. Ramesh Kumar Sharma	January 19, 2008	September 23, 2011	Resignation
Mr. Amar Chand Garg	July 13, 2005	September 23, 2011	Resignation

Management Organization Structure

The organization structure of our Company is as set forth below:



Key Managerial Personnel

The details regarding our key managerial personnel as on the date of filing this Red Herring Prospectus are as follows:

Mr. Ramesh Kumar Sharma, aged 55 years, is the Chief Operating Officer of our Company. He holds a bachelor's degree and a master's degree in commerce from University of Rajasthan, Jaipur. He has over 29 years experience in foreign exchange, credit and administration sectors. He joined our Company in April 2007. Mr. Sharma was also a whole-time director on our Board during January 2008 to September 2011. Prior to joining our Company, he worked with the State Bank of Bikaner and Jaipur. He received a gross remuneration of ₹ 759,151 in fiscal 2012.

Mr. Sanjeev Bhatia, aged 50 years, is our President (Finance). He holds a bachelor's degree in arts, from University of Delhi, New Delhi, a master's degree in arts from University of Delhi, New Delhi and a master's degree in business administration from University of Delhi, New Delhi. He is an associate of the Indian Institute of Bankers. He has more than 25 years of experience in the finance sector. Prior to joining our Company, Mr. Sanjeev Bhatia was associated with the State Bank of India. He joined our Company in August 2008 and currently supervises the finance department of our Company and is also in charge of overall project management. He received a gross remuneration of ₹ 759,984 in fiscal 2012.

Mr. T. M. Lakshmi Kanthan, aged 62 years, is our President (Coordination & Business Development). He holds a bachelor's degree in science from Madras University, Chennai. Prior to joining our Company, he was associated with Corporation Bank and Karur Vysya Bank Limited. He has more than 40 years of experience in the banking sector. He joined our Company in February 2012 and currently supervises the business development department of our Company. He received a gross remuneration of ₹ 150,000 in fiscal 2012.

Mr. Nitin Gupta, aged 33 years, is our President (Diamond Manufacturing). He holds a bachelor's degree in commerce from University of Delhi, New Delhi. He joined our Company in July 2010 and is currently responsible for the diamond manufacturing division of our Company. He received a gross remuneration of ₹ 2,362,491 in fiscal 2012, as well as an advance of ₹ 1,938,491 which was refunded by Mr. Nitin Gupta to our Company on August 14, 2012 pursuant to a revision in his remuneration approved by the shareholders in an extra-ordinary general meeting held on June 6, 2012.

Mr. Sachin Gupta, aged 36 years, is our President (Gold Manufacturing). He joined our Company in July 2011 and is currently responsible for the gold manufacturing division of our Company. He received a gross remuneration of ₹ 2,250,000 in fiscal 2012, as well as an advance of ₹ 1,978,545 which was refunded by Mr. Sachin Gupta to our Company on August 14, 2012 pursuant to a revision in his remuneration approved by the shareholders in an extra-ordinary general meeting held on June 6, 2012.

Mr. Rajaram Sugla, aged 37 years, is our Senior Vice-President (Accounts and Taxation). He holds a bachelor's degree in commerce, from Maharshi Dayanand University, Rohtak and is a qualified Chartered Accountant. He has more than 10 years of experience in the jewellery sector. Prior to joining our Company, Mr. Rajaram Sugla was a private consultant and was associated with another jewellery retailer in New Delhi. He joined our Company in April 2006 and is currently responsible for the accounts and taxation departments of our Company. He received a gross remuneration of ₹ 761,234 in fiscal 2012.

Mr. Kuldeep Singh, aged 34 years, is our Senior Vice-President (Projects and Audit). He holds a bachelor's degree in science from Chaudhary Charan Singh University, Meerut and is a qualified Chartered Accountant. He has more than five years of experience in the field of accounts and taxation. Prior to joining our Company, Mr. Kuldeep Singh was a private consultant. He joined our Company in October, 2008 and is currently responsible for projects and audit. He received a gross remuneration of ₹ 637,485 in fiscal 2012.

Mr. Vijay Panwar, aged 37 years, is our Company Secretary and Compliance Officer. He is a qualified Company Secretary, holds a bachelor's degree in science from M. J. P. Rohilkhand University, Bareilly, a bachelor's degree in law from Chaudhary Charan Singh University, Meerut and a master's degree in business administration from Indira Gandhi National Open University, New Delhi. Prior to joining our Company, he was associated with Genus Paper Products Limited and Mast Mobile Media Private Limited. He has more than six years of experience in legal and secretarial functions. He joined our Company in February 2008 and is currently responsible for the legal and secretarial functions of our Company. He received a gross remuneration of ₹ 488,099 in fiscal 2012.

All our key managerial personnel are permanent employees of our Company.

The term of office of our employees, including our key managerial personnel, is until the attainment of 58 years of age. However, in exceptional cases, where replacements are not available in view of special knowledge or skills required for the concerned position, the concerned employee may be considered for continuation in our Company based on the merits of such employee and the business requirements of our Company.

Except for Mr. Nitin Gupta and Mr. Sachin Gupta, who are brothers, none of our key managerial personnel are related to each other. Mr. Nitin Gupta and Mr. Sachin Gupta are sons of Mr. Padam Chand Gupta, one of our Promoters.

Shareholding of the Key Managerial Personnel

Except as disclosed below, none of our key managerial personnel hold any Equity Shares of our Company. Also see, "***Employee Stock Option or Stock Purchase Scheme***" below.

Name of Key Managerial Personnel	Number of Equity Shares (Pre-Issue)	Percentage
Mr. Sachin Gupta*	992,100	0.74

** Ms. Shivani Gupta, wife of Mr. Sachin Gupta holds an additional 2,940,000 Equity Shares.*

Bonus or profit sharing plan for our Key Managerial Personnel

For details, see "-***Payment or Benefit to officers of our Company***" below.

Interest of Key Managerial Personnel

Mr. Sachin Gupta holds 992,100 Equity Shares, as disclosed above. Further, Ms. Shivani Gupta, wife of Mr. Sachin Gupta holds an additional 2,940,000 Equity Shares of our Company. Further, Ms. Shivani Gupta and Ms. Gazal Garg (Mr. Nitin Gupta's wife) hold 5,000 equity shares each in Quick Developers Private Limited, therefore together holding 100% of the paid up equity share capital of Quick Developers Private Limited, which in turn holds 4,995,000 Equity Shares of our Company. In addition, Ms. Santosh Sharma, wife of Mr. Rakesh Kumar Sharma holds 255,000 Equity Shares of our Company. Other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment or to the extent of any employee stock options that may be granted to them pursuant to ESOP 2011, our key managerial personnel do not have any other interest in the business of our Company.

Our Company entered into an agreement of lease dated April 15, 2007, with Mr. Padam Chand Gupta, Mr. Nitin Gupta, Mr. Sachin Gupta and Mr. Balram Garg for its Registered Office at 24/2708, Bank Street, Karol Bagh, New Delhi 110 005. The agreement is valid until March 31, 2016. Our Company pays a monthly rent of ₹ 31,050.00 to each of Mr. Nitin Gupta and Mr. Sachin Gupta. Further, our Company also pays a monthly rent of ₹ 20,700.00 and ₹ 10,350.00 to our Directors, Mr. Padam Chand Gupta and Mr. Balram Garg, respectively.

We believe that our Company is currently paying rent at less than market rates to the lessors for the abovementioned premises. Any new rental arrangements with our Promoters, the Promoter Group, Group Entities and/or key managerial personnel will be on an arms length basis and subject to the review of our Audit Committee in accordance with its terms of reference.

Further, pursuant to an agreement dated April 1, 2011, our Company has purchased the factory building situated at Plot No. 65, Noida SEZ, Noida, Uttar Pradesh, from PC Jewellers (Exports) for an aggregate consideration of ₹ 39.98 million. Mr. Balram Garg, Mr. Sachin Gupta and Ms. Manju Garg are currently the partners in PC Jewellers (Exports). For details see "***Financial Statements – Annexure XXX - Statement of Related Parties Transactions, as Restated***" on page 218.

None of our key managerial personnel has been paid any consideration of any nature from our Company, except as disclosed above.

Changes in Key Managerial Personnel in the last three years

The changes in our key managerial personnel in the last three years are as follows:

Name	Date / month of change	Reason
Mr. T. M. Lakshmi Kanthan	February 2012	Appointment
Mr. Sanjeev Bhatia	October 2011	Promotion from the designation of Vice President (Finance & Projects) to President (Finance)
Mr. Ramesh Kumar Sharma	September 2011	Appointed as the Chief Operating Officer of the Company after his resignation from the Board*
Sachin Gupta	July 2011	Appointment
Nitin Gupta	July 2010	Appointment

** Mr. Ramesh Kumar Sharma resigned as a whole-time director of our Company on September 23, 2011.*

Employee Stock Option or Stock Purchase Scheme

As on date of this Red Herring Prospectus, no employee stock options have been granted pursuant to ESOP 2011. For details of ESOP 2011, see "***Capital Structure***" on page 71.

Payment or Benefit to officers of our Company

Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance. Our Company paid an aggregate amount of ₹ 10,503,752 towards such contributions in fiscal 2012. Further, in fiscal 2012, the officers of our Company were entitled to 8.33% of their basic salary, annually, as bonus from our Company. In addition by a lease agreement dated February 8, 2012, our Company has taken premises located at New Rajinder Nagar, New Delhi on lease for residential purposes for Mr. T. M. Lakshmi Kanthan. Our Company pays a monthly rent of ₹ 50,000 excluding electricity and water charges, for the premises. Our Company has also paid an interest free security deposit of ₹ 0.14 million for these premises, which is refundable upon expiry of the lease. Further, our Company has also in the past purchased and are in the process of renewing a Director's and Officers' Liability Insurance Coverage Policy for a total sum of ₹ 105.00 million, covering a loss arising from any claim first made against the Directors or officers of our Company by reason of any wrongful act committed in the capacity of a Director or officer of the Company, subject to certain conditions.

Except as stated otherwise in this Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the "***Financial Statements***" on page 163, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, the Directors or the Promoters.

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

OUR PROMOTERS AND GROUP ENTITIES

Our Promoters are Mr. Padam Chand Gupta and Mr. Balram Garg. Mr. Padam Chand Gupta and Mr. Balram Garg currently hold 50,371,800 Equity Shares and 66,002,700 Equity Shares of our Company, respectively, which constitutes a total of 86.87 % of our pre-Issue paid-up Equity Share capital, and will continue to hold the majority of our post-Issue paid-up Equity Share capital.

Details of our Promoters

Mr. Padam Chand Gupta

Mr. Padam Chand Gupta (a.k.a. Padam Chand Garg), aged 58 years, is our Chairman and has been involved with our Company since incorporation. He has basic education. He has more than 20 years of experience in the jewellery industry. Prior to joining our Company, he worked for a family run business venture. For details, see "***Our Management***" on page 144.

His voter's identification number is XVP0726174.

He does not hold a driver's license.

Mr. Balram Garg

Mr. Balram Garg, aged 42 years, is our Managing Director and has been involved with our Company since incorporation. He holds a bachelor's degree in commerce from the University of Delhi, New Delhi. He has more than 20 years of experience in the jewellery industry. Prior to joining our Company, he worked for a family run business venture. For details, see "***Our Management***" on page 144.

His voter's identification number is XVP0726216.

He does not hold a driver's license.

We confirm that the PAN, bank account numbers and passport numbers of Mr. Padam Chand Gupta and Mr. Balram Garg have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Interest of our Promoters

Our Promoters are interested in our Company to the extent of their shareholding of 86.87 % of the issued, paid-up and subscribed Equity Share capital of our Company and in any dividend distribution which may be made by our Company in future. For details pertaining to our Promoter shareholding, see "***Capital Structure***" and "***Our Management***" on pages 71 and 144, respectively. Our Promoters are also interested to the extent they are Directors of our Company as well as any remuneration or reimbursement of expenses payable to them. Also see "***Our Promoters and Group Companies – Other Confirmation – Common Pursuits***" on page 160. For details pertaining to the remuneration paid to our Directors, see "***Our Management***" on page 144.

Our Company has also executed certain lease deeds with the Promoters for use of certain premises owned by them. The details of such lease deeds are provided hereunder:

(a) Our Company entered into an agreement of lease dated April 15, 2007, with Mr. Padam Chand Gupta, Mr. Nitin Gupta, Mr. Sachin Gupta and Mr. Balram Garg for its Registered Office at 24/2708, Bank Street, Karol Bagh, New Delhi 110 005. The agreement is valid until March 31, 2016. Our Company pays a monthly rent of ₹ 20,700.00 and ₹ 10,350.00 to our Promoters, Mr. Padam Chand Gupta and Mr. Balram Garg, respectively. Further, a monthly rent of ₹ 31,050 is also paid to each of Mr. Nitin Gupta and Mr. Sachin Gupta, our key managerial personnel.

(b) Our Company entered into an agreement of lease dated April 15, 2007, with Mr. Padam Chand Gupta, for its showroom at 2706-2707, Bank Street, Karol Bagh, New Delhi 110 005. The agreement is valid until March 31, 2016. Our Company pays a monthly rent of ₹ 186,300.00 to Mr. Padam Chand Gupta.

We believe that our Company is currently paying rent at less than market rates to the lessors for the abovementioned premises. Any new rental arrangements with our Promoters, the Promoter Group, Group Entities and/or key managerial personnel will be on an arms length basis and subject to the review of our Audit Committee in accordance with its terms of reference.

Further, pursuant to an agreement dated April 1, 2011, our Company has purchased the factory building situated at Plot No. 65, Noida SEZ, Noida, Uttar Pradesh, from PC Jewellers (Exports) for an aggregate consideration of ₹ 39.98 million. Mr. Balram Garg, Mr. Sachin Gupta and Ms. Manju Garg are currently the partners in PC Jewellers (Exports). For details see "***Financial Statements – Annexure XXX - Statement of Related Parties Transactions, as Restated***" on page 218.

Except as disclosed above, our Promoters and Group Entities confirm that they have no interest in any property acquired by our Company during the last two years preceding the date of filing of this Red Herring Prospectus or any property proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of building or supply of machinery. None of our Promoters are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to the firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or to qualify such Promoters as, a director, or otherwise for services rendered by such Promoters or by the firm or company, in connection with the promotion or formation of our Company.

Details of our Group Entities

<u>Top five Group Entities</u>

1. Amar Garments Private Limited

Amar Garments Private Limited was incorporated on June 17, 2005 as a private limited company under the Companies Act. Amar Garments Private Limited is, among other things, permitted to carry on the business of manufacture, import, export and retail sale of garments for men, women and children.

The authorized share capital of Amar Garments Private Limited is ₹ 0.10 million. The paid up capital of Amar Garments Private Limited is ₹ 0.10 million divided into 10,000 equity shares of ₹ 10.00 each.

Shareholding Pattern

The shareholding pattern of Amar Garments Private Limited as on the date of this Red Herring Prospectus is as follows:

Name of Shareholders	Number of Shares	% of Shareholding
Mr. Balram Garg	5,000	50%
Mr. Amar Chand Garg	5,000	50%
Total	**10,000**	**100%**

Financial Performance

The audited financial results of Amar Garments Private Limited for fiscal 2010, 2011 and 2012 are set forth below:

(in ₹)

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Equity capital	100,000	100,000	100,000
Reserves and surplus (excluding revaluation reserve)	(258,098)	(203,634)	(188,530)
Total Income	120,000	120,000	120,000
Profit/(Loss) after tax	(121,274)	54,464	15,104
Earnings/(Loss) per share (Basic)*	(12.13)	5.45	1.51

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Earnings/(Loss) per share (Diluted)*	(12.13)	5.45	1.51
Net asset value per share *	(15.81)	(10.36)	(8.85)

**Face value of equity shares is ₹10.*

2. Onyx Townships Private Limited

Onyx Townships Private Limited was incorporated on September 22, 2006 as a private limited company under the Companies Act. Onyx Townships Private Limited is, among other things, permitted to carry on the business of purchasing land and construction of buildings as well as that of civil contractors.

The authorized share capital of Onyx Townships Private Limited is ₹ 0.10 million. The paid up capital of Onyx Townships Private Limited is ₹ 0.10 million divided into 10,000 equity shares of ₹ 10.00 each.

Shareholding Pattern

The shareholding pattern of Onyx Townships Private Limited as on the date of this Red Herring Prospectus is as follows:

Name of Shareholders	Number of Shares	% of Shareholding
Mr. Balram Garg	100	1.00%
Mr. Amar Chand Garg	100	1.00%
Ms. Krishna Devi	4,900	49.00%
Ms. Manju Garg	4,900	49.00%
Total	**10,000**	**100.00%**

Financial Performance

The audited financial results of Onyx Townships Private Limited for fiscal 2010, 2011 and 2012 are set forth below:

(in ₹)

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Equity capital	100,000	100,000	100,000
Reserves and surplus (excluding revaluation reserve)	(35,841)	65,150	452,878
Total Income	-	200,000	2,400,000
Profit/(Loss) after tax	(1,600)	100,990	387,728
Earnings/(Loss) per share (Basic)*	(0.16)	10.10	38.77
Earnings/(Loss) per share (Diluted)*	(0.16)	10.10	38.77
Net asset value per share *	5.78	16.52	55.29

**Face value of equity shares is ₹10.*

3. Trigun Infrastructures Private Limited

Trigun Infrastructures Private Limited was incorporated on February 22, 2006 as a private limited company under the Companies Act. Trigun Infrastructures Private Limited is, among other things, permitted to carry on the business of purchase of land and buildings and development and construction of buildings.

The authorized share capital of Trigun Infrastructures Private Limited is ₹ 0.10 million. The paid up capital of Trigun Infrastructures Private Limited is ₹ 0.10 million divided into 10,000 equity shares of ₹ 10.00 each.

Shareholding Pattern

The shareholding pattern of Trigun Infrastructures Private Limited as on the date of this Red Herring Prospectus is as follows:

Name of Shareholders	Number of Shares	% of Shareholding
Mr. Balram Garg	5,000	50.00%
Mr. Sachin Gupta	5,000	50.00%

Name of Shareholders	Number of Shares	% of Shareholding
Total	**10,000**	**100.00%**

Financial Performance

The audited financial results of Trigun Infrastructures Private Limited for fiscal 2010, 2011 and 2012 are set forth below:

(in ₹)

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Equity capital	100,000	100,000	100,000
Reserves and surplus (excluding revaluation reserve)	(92,715)	(112,833)	(107,425)
Total Income	-	-	19,500
Profit/(Loss) after tax	(13,917)	(20,118)	5,408
Earnings/(Loss) per share (Basic)*	(1.39)	(2.01)	0.54
Earnings/(Loss) per share (Diluted)*	(1.39)	(2.01)	0.54
Net asset value per share *	0.13	(1.28)	(0.74)

**Face value of equity shares is ₹10.*

4. *PC Jewellers (Exports)*

PC Jewellers (Exports), a partnership firm, was formed pursuant to a deed of partnership dated April 23, 2005. PC Jewellers (Exports) is engaged in the business of export of diamond, gold and silver jewellery and articles. Also see "***Our Promoter and Group Entities – Other Confirmations – Common Pursuits***" on page 160.

Mr. Balram Garg, Mr. Sachin Gupta and Ms. Manju Garg are currently the partners in PC Jewellers (Exports). Mr. Balram Garg, Mr. Sachin Gupta and Ms. Manju Garg are entitled to 33%, 33% and 34% of the net profit/loss from the firm, respectively.

Financial Information

The audited financials of PC Jewellers (Exports) for fiscal 2010, 2011 and 2012 are set forth below:

(₹ in million)

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Partners Capital Account	305.87	346.30	102.56
Total Income	1,724.82	1,871.99	1,292.47
Net current assets	599.95	1,076.28	101.77
Profit/(Loss) after tax	115.85	215.20	59.50

5. *PC Charitable Society (Regd.)*

PC Charitable Society (Regd.) was registered as a society under the Societies Registration Act, 1860, on July 8, 2005. The main objects of PC Charitable Society (Regd.) are to, among others, promote education, cultural activities and sports. Mr. Balram Garg is the president of the governing body of PC Charitable Society (Regd.)

Financial Information

The audited financials of PC Charitable Society (Regd.) for fiscal 2010, 2011 and 2012 are set forth below:

(₹ in million)

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Corpus	14.45	14.64	21.49
Excess of income over expenditure	0.01	0.00*	0.08

** ₹8,161.79*

<u>*Group Entities with Negative Net Worth*</u>

None of our Group Entities, except Amar Garments Private Limited and Trigun Infrastructures Private Limited, had a negative net worth in the last fiscal year. The financial information of Amar Garments Private Limited and Trigun Infrastructures Private Limited have been disclosed above.

Other Group Entities

1. PC Education Society (Regd.)

PC Education Society (Regd.) was registered as a society under the Societies Registration Act, 1860, on July 8, 2005. The main objects of PC Education Society (Regd.) are to, among others, establish schools, promote education, literacy and other social and cultural activities. Mr. Padam Chand Gupta is the president of the governing body of the society.

2. Shivani Sachin Education Society (Regd.)

Shivani Sachin Education Society (Regd.) was registered as a society under the Societies Registration Act, 1860, on July 8, 2005. The main objects of Shivani Sachin Education Society (Regd.) are to, among others, establish educational institutions, provide training and promote social welfare activities. Mr. Balram Garg is the president of the governing body of the society.

3. Padam Chand HUF

Padam Chand HUF is a Hindu Undivided Family represented by Mr. Padam Chand Gupta as its karta. Padam Chand HUF was formed on July 17, 1996.

4. Balram Garg HUF

Balram Garg HUF is a Hindu Undivided Family represented by Mr. Balram Garg as its karta. Balram Garg HUF was formed on March 1, 1996.

5. Balkishan Das (HUF)

Balkishan Das (HUF) is an ancestral Hindu Undivided Family represented by Mr. Padam Chand Gupta as its karta.

As on date of filing this Red Herring Prospectus, none of our Group Entities are listed on any stock exchange in India.

Disassociation by Our Promoters in the Preceding Three Years

Except as disclosed below, our Promoters have not disassociated themselves as a promoter from any company in the preceding three years.

Sl. No.	Name of company / entity	Date of disassociation	Reason(s)
1.	Glittering Jewellers Private Limited	September 17, 2011	Transfer of shares*
2.	Disha Creations Private Limited	September 17, 2011	Transfer of shares*
3.	Almas Creations Private Limited	September 17, 2011	Transfer of shares*
4.	PC Petroleum Private Limited	September 17, 2011	Transfer of shares*
5.	Smriti Technosoft Private Limited	September 17, 2011	Transfer of shares*
6.	Ragini Projects Private Limited	September 15, 2011	Transfer of shares*
7.	Sampoorn Projects Private Limited	September 15, 2011	Transfer of shares*
8.	Decent Infotech Private Limited	September 15, 2011	Transfer of shares*
9.	Roshni Jewels Private Limited	September 15, 2011	Transfer of shares*
10.	Matador Construction Private Limited	September 15, 2011	Transfer of shares*
11.	Magnificent Jewellers Private Limited	September 15, 2011	Transfer of shares*
12.	Suruchi Promoters Private Limited	September 15, 2011	Transfer of shares*
13.	Taurus Promoters Private Limited	September 15, 2011	Transfer of shares*
14.	Optimist Computers Private Limited	September 13, 2011	Transfer of shares*
15.	Track Softech Private Limited	September 13, 2011	Transfer of shares*

Sl. No.	Name of company / entity	Date of disassociation	Reason(s)
16.	Stereo Constructions Private Limited	September 13, 2011	Transfer of shares*
17.	Top Star Software Private Limited	September 13, 2011	Transfer of shares*
18.	City Bulls India Private Limited	September 13, 2011	Transfer of shares*
19.	Spectrum Township Private Limited	September 13, 2011	Transfer of shares*
20.	PC Creations Private Limited	September 13, 2011	Transfer of shares*
21.	Vikas IT Parks Developers Private Limited	September 12, 2011	Transfer of shares*
22.	Centre for Holistic Advancement and Upliftment of Poor and Landless	September 12, 2011	Transfer of shares*
23.	PC Mangal Vasan Private Limited	September 12, 2011	Transfer of shares*
24.	Shivani Sarees Private Limited	July 9, 2011	Transfer of shares**
25.	PC Developers Private Limited	March 10, 2011	Transfer of shares*
26.	Blue Angel Promoters Private Limited	May 28, 2010	Transfer of shares***
27.	Virat Promoters Private Limited	May 5, 2010	Transfer of shares***
28.	Bak Power Systems Private Limited	January 12, 2010	Transfer of shares***

** The equity shares held by the Promoters in the disassociated companies were transferred by the Promoters pursuant to an understanding with some of the Promoters' family members.*
***The equity shares held by Mr. Balram Garg in SSPL were transferred to our Company.*
****The equity shares held by the Promoters in the disassociated companies were transferred by the Promoters to third parties through transfer deeds dated May 26, 2010; May 5, 2010; January 7, 2010 and September 15, 2009, respectively.*

Payment or Benefit to Promoters and Group Entities

Except as stated above in "***Interest of our Promoters***" and "***Financial Statements – Annexure XXX - Statement of Related Parties Transactions, as Restated***" on page 218, there has been no payment of benefits to our Promoters and Group Entities during fiscal 2012 and 2011, nor is any benefit proposed to be paid to them as on the date of this Red Herring Prospectus.

Other Confirmations

Common Pursuits

Except for PC Jewellers (Exports) which is engaged in the business of export of gold, diamond and silver jewellery and articles, none of our Group Entities are presently engaged in any activities similar to those conducted by us. Our Company has not adopted any measures for mitigating such conflict situations.

However, pursuant to undertakings dated September 27, 2011, the partners of PC Jewellers (Exports) have confirmed that the partnership firm is in the process of being dissolved and that best efforts will be made to ensure that such process is completed. Further, the partners of PC Jewellers (Exports) have undertaken not to engage in and/or procure any new business including, any orders from any customers, whether written or otherwise, pursuant to any long term arrangements (existing or otherwise), until its dissolution. Further, our Promoter, Mr. Balram Garg, and Mr. Sachin Gupta have also given an undertaking dated September 27, 2011 that so long as they are associated with us as a shareholder or promoter or employee or member of our Board, they will not, directly or indirectly, including through their sons, daughters and spouses, engage in any business if such business deals with or offers same or similar products and services as any of our businesses. Also see "***Risk Factors - Conflicts of interest may arise out of common business objects shared by our Company and one of our Group Entities"*** on page 26.

For details of business transactions within the group and their significance on the financial performance of the Company, see "***Financial Statements – Annexure XXX - Statement of Related Parties Transactions, as Restated***" on page 218.

Our Promoters, directors of our Group Entities and Group Entities have confirmed that they have not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

For details relating to legal proceedings involving our Promoters and Group Entities, see "***Outstanding Litigation and Material Developments***" on page 310.

Our Promoters, Promoter Group and Group Entities have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authorities. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

None of our Group Entities have become sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985 and no winding up proceedings have been initiated against them. Further, no application has been made, in respect of any of them, to the respective registrar of companies where they are situated, for striking off their names. Additionally, none of our Group Entities have become defunct in the five years preceding the date of filing the Draft Red Herring Prospectus.

None of our Group Entities have any business or other interest in our Company except for business conducted on an arms' length basis or to the extent of any Equity Shares held by them. Further, except as stated in "***Financial Statements – Annexure XXX - Statement of Related Parties Transactions, as Restated***" on page 218, our Company does not have any sales/purchase arising out of any transaction with any group company exceeding aggregate 10% of total sales or purchase of our Company.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including, but not limited to, our profits, capital requirements, contractual requirements, restrictive covenants under our loan and financing arrangements and overall financial position of our Company. Our Company has no formal dividend policy. Our Board of Directors may also, from time to time, pay interim dividends.

No dividend has been declared on the Equity Shares by our Company during the last five fiscal years.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' report on the financial information of PC Jeweller Limited (formerly known as PC Jeweller Private Limited), as restated, for the period ended September 30, 2012 and years ended March 31, 2012, 2011, 2010, 2009 and 2008 in relation to the prospectus.

To,

The Board of Directors
PC Jeweller Limited (formerly known as PC Jeweller Private Limited)
2708, Bank Street,
Karol Bagh
New Delhi 110 005
India

Dear Sirs,

We have examined the restated financial information of PC Jeweller Limited (formerly known as PC Jeweller Private Limited) (the 'Company') annexed to this report for the purpose of inclusion in the offer document. This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the offer document being issued by the Company in connection with the proposed Initial Public Offering ('IPO') for the issue of 45,133,500 equity shares having a face value of ₹ 10 each at an issue price to be arrived at by a book building process (referred to as 'the Issue').

This financial information has been prepared in accordance with the requirements of:

i) Paragraph B of Part II of Schedule II to the Companies Act, 1956 (the 'Act');

ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time issued by the Securities and Exchange Board of India ('SEBI') in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments.

This financial information has been extracted by the management from the audited financial statements of the Company for the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008.

We have examined such financial information in accordance with the requirements of:

i) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and

ii) The terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company relating to IPO.

A. Financial information as per the Restated Summary Statements of the Company:

1. We have examined the attached Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Company as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008, the attached Summary Statement of Profits and Losses, As Restated (refer Annexure II) and also the Statement of Cash flows, As Restated (refer Annexure III) for the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008 collectively referred to as 'Restated Summary Statements of the Company'. These Restated Summary Statements of the Company have been arrived at after making such adjustments and regroupings to the audited financial statements of the Company which are appropriate and are more fully described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

2. The Restated Summary Statements of the Company for the years ended March 31, 2010, 2009 and 2008 including the adjustments and regroupings discussed above, have been extracted from the audited financial statements of the Company as at and for the years ended March 31, 2010, 2009 and 2008 which have been audited by Sharad Jain Associates and accordingly reliance has been placed on the financial information examined by them for the said years. The Restated Summary Statements of the Company as at and for the period ended September 30, 2012 and the year ended March 31, 2012 and 2011 is based on the financial statements of the Company, which have been jointly audited by us.

3. Based on our examination of these Restated Summary Statements of the Company, we state that:

   a) The Restated Summary Statements of the Company have to be read in conjunction with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

   b) The Restated Summary Statements of the Company have been restated with retrospective effect to reflect the accounting policies being adopted by the Company as at September 30, 2012, as stated in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

   c) The Restated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

   d) There are no qualifications in the auditors' reports for the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008 which would require adjustment in the Restated Summary Statements of the Company; and

   e) There are no extra-ordinary items which need to be disclosed separately in the Restated Summary Statements of the Company.

B. Other financial information:

4. We have examined the following 'Other financial information' in respect of the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008 of the Company, proposed to be included in the offer document, as prepared by the management and approved by the Board of Directors and annexed to this report:

   (i) Statement of Notes to Restated Summary Statements of the Company (Annexure IV);
   (ii) Statement of Long Term Borrowings, As Restated (Annexure V);
   (iii) Statement of Provisions, As Restated (Annexure VI);
   (iv) Statement of Short Term Borrowings, As Restated (Annexure VII);
   (v) Statement of Trade Payable, As Restated (Annexure VIII);
   (vi) Statement of Other Current Liabilities, As Restated (Annexure IX);
   (vii) Statement of Share Capital, As Restated (Annexure X);
   (viii) Statement of Reserves and Surplus, As Restated (Annexure XI);
   (ix) Statement of Deferred Tax Assets(Net), As Restated (Annexure XII);
   (x) Statement of Loans and Advances, As Restated (Annexure XIII);
   (xi) Statement of Other Non Current Assets, As Restated (Annexure XIV);
   (xii) Statement of Current Investment, As Restated (Annexure XV);
   (xiii) Statement of Inventories, As Restated (Annexure XVI);
   (xiv) Statement of Trade Receivable, As Restated (Annexure XVII);
   (xv) Statement of Cash and Bank Balances, As Restated (Annexure XVIII);
   (xvi) Statement of Other Current Assets, As Restated (Annexure XIX);
   (xvii) Statement of Contingent Liabilities and Commitments, As Restated (Annexure XX)
   (xviii) Statement of Revenue from operations, As Restated (Annexure XXI);
   (xix) Statement of Changes in Inventories of Finished goods and Work in progress, As Restated (Annexure XXII);
   (xx) Statement of Other Income, As Restated (Annexure XXIII);
   (xxi) Statement of Cost of Material consumed, As Restated (Annexure XXIV)
   (xxii) Statement of Employee Benefit Expense, As Restated (Annexure XXV)
   (xxiii) Statement of Finance Cost, As Restated (Annexure XXVI);
   (xxiv) Statement of Other Expenses, As Restated (Annexure XXVII);

(xxv) Capitalisation Statement, As Restated (Annexure XXVIII);
(xxvi) Statement of Tax Shelter, As Restated (Annexure XXIX);
(xxvii) Statement of Related Parties Transactions, As Restated (Annexure XXX)
(xxviii) Statement of Accounting Ratios, As Restated (Annexure XXXI)

5. The Company did not declare any dividend on equity shares for the period ended September 30, 2012 and the years ended years ended March 31, 2012, 2011, 2010, 2009 and 2008.

6. In our opinion, the 'Financial information as per the Restated Summary Statements of the Company' and 'Other financial information' mentioned above for the period ended September 30, 2012 and the years ended March 31, 2012, 2011, 2010, 2009 and 2008 have been prepared in accordance with Part II of Schedule II to the Act and the relevant provisions of the SEBI Regulations.

7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by Sharad Jain Associates or jointly by us nor should it be construed as a new opinion on any of the financial statements referred to therein.

8. This report is intended solely for your information and for inclusion in the offer document in connection with the IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

per **Sharad Jain**
Partner
Membership No. 83837

Place: New Delhi
Date: November 3, 2012

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

per **B.P. Singh**
Partner
Membership No. 70116

Place: New Delhi
Date: November 3, 2012

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
Annexure I

(Amounts in Rs. Millions)

Particulars	Annexure	As at September 30,	As at March 31,				
		2012	2012	2011	2010	2009	2008
A. Non current assets							
Fixed assets							
Tangible assets		638.25	565.74	316.58	207.31	88.46	66.33
Intangible assets under development		9.79	9.79	8.49	7.84	7.25	-
Deferred tax assets (net)	**XII**	13.70	10.29	5.43	7.86	40.79	10.12
Long term loans and advances	**XIII**	696.51	631.59	222.53	80.20	13.76	2.46
Other non current asset	**XIV**	86.99	80.51	41.83	12.66	0.60	1.19
Total non current assets		1,445.24	1,297.92	594.86	315.87	150.86	80.10
B. Current assets							
Current investment	**XV**	-	0.10	-	-	-	-
Inventories	**XVI**	13,962.74	11,724.10	5,494.92	3,781.80	2,042.87	1,337.59
Trade receivable	**XVII**	7,025.56	6,866.45	4,248.07	2,494.72	1,625.59	237.29
Cash and bank balances	**XVIII**	792.73	112.98	190.58	407.74	241.35	74.12
Short term loans and advances	**XIII**	910.06	324.58	155.44	57.13	45.32	8.50
Other current assets	**XIX**	38.26	22.26	104.68	72.04	12.51	4.59
Total current assets		22,729.35	19,050.47	10,193.69	6,813.43	3,967.64	1,662.09
C. Non current liabilities							
Long term borrowings	**V**	17.25	21.91	13.89	20.69	7.39	7.51
Long term provisions	**VI**	8.61	6.09	2.94	2.51	1.43	0.82
Total non current liabilities		25.86	28.00	16.83	23.20	8.82	8.33
D. Current liabilities							
Short term borrowings	**VII**	3,756.28	5,751.16	1,376.58	791.66	2,156.31	537.83
Trade payables	**VIII**	12,196.44	7,889.31	5,893.00	4,374.38	1,139.91	769.43
Other current liabilities	**IX**	1,016.25	867.88	197.11	379.35	264.94	64.22
Short term provisions	**VI**	202.76	254.89	48.34	40.36	2.50	7.17
Total current liabilities		17,171.73	14,763.24	7,515.03	5,585.75	3,563.66	1,378.65
Net Worth(A+B-C-D)		**6,977.00**	**5,557.15**	**3,256.69**	**1,520.35**	**546.02**	**355.21**
Represented by:							
E. Share capital	**X**	1,339.67	1,339.67	446.56	401.56	221.56	221.56
F. Reserves and surplus	**XI**	5,637.33	4,217.48	2,810.13	1,108.29	324.32	133.65
G. Share application money pending allotment		-	-	-	10.50	0.14	-

Particulars	Annexure	As at September 30,	As at March 31,				
		2012	2012	2011	2010	2009	2008
Net Worth(E+F+G)		**6,977.00**	**5,557.15**	**3,256.69**	**1,520.35**	**546.02**	**355.21**

Note:
The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

This is the Summary Statement of Assets and Liabilities, As Restated, referred to in our report of even date.

for **Sharad Jain Associates**
Chartered Accountants

for **Walker, Chandiok & Co**
Chartered Accountants

per **Sharad Jain**
Partner

per **B. P. Singh**
Partner

Place: New Delhi
Date: November 3, 2012

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED
Annexure II

(Amounts in Rs. Millions)

Particulars	Annexure	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
Revenue							
Revenue from operations	**XXI**	18,557.00	30,419.27	19,770.55	9,848.47	6,227.34	3,213.40
Changes in inventories of finished goods and work-in-progress	**XXII**	2,009.40	6,137.24	2,157.77	1,014.47	624.08	531.17
Other income	**XXIII**	76.00	185.56	167.91	181.59	72.42	22.97
Total		**20,642.40**	**36,742.07**	**22,096.23**	**11,044.53**	**6,923.84**	**3,767.54**
Expenses							
Cost of materials consumed	**XXIV**	17,527.64	31,273.55	18,339.48	9,196.78	5,878.91	3,333.71
Purchases of traded goods		3.26	36.82	1,029.65	399.63	205.77	62.79
Employee benefit expenses	**XXV**	162.28	248.97	76.85	44.21	30.38	12.38
Finance costs	**XXVI**	590.71	782.55	496.02	382.09	216.30	90.29
Depreciation and amortisation expense		47.57	65.90	29.71	18.58	11.84	6.53
Other expenses	**XXVII**	530.58	1,684.32	489.10	237.62	241.67	112.72
Prior period items		6.81	-	4.24	-	-	-
Total		**18,868.85**	**34,092.11**	**20,465.05**	**10,278.91**	**6,584.87**	**3,618.42**
Profit before tax		**1,773.55**	**2,649.96**	**1,631.18**	**765.62**	**338.97**	**149.12**
Tax							
Current tax		363.92	534.35	208.28	100.89	27.50	18.32
Less : Minimum Alternate Tax credit entitlement		-	(193.76)	(25.95)	-	-	-
Tax earlier years		-	(0.07)	1.38	0.53	0.54	-
Deferred tax							
- current year		(3.41)	(3.47)	(0.33)	(0.37)	0.14	0.32
- prior period		-	-	(0.85)	-	-	-
Fringe benefit tax		-	-	-	-	0.99	0.80
Profit for the year after tax		**1,413.04**	**2,312.91**	**1,448.65**	**664.57**	**309.80**	**129.68**
Adjustments		**6.81**	**(13.86)**	**31.80**	**152.71**	**(149.94)**	**(18.58)**
(Refer Note 3 of Annexure IV)							
Tax impact of adjustments							
Income-taxes		-	1.41	(3.61)	(33.31)	30.81	7.77
(Refer Note 3 of Annexure IV)							

Particulars	Annexure	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
Net impact of adjustments on profit		**6.81**	**(12.45)**	**28.19**	**119.40**	**(119.13)**	**(10.81)**
Net profit as restated		**1,419.85**	**2,300.46**	**1,476.84**	**783.97**	**190.67**	**118.87**

Note:
The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

This is the Summary Statement of Profits and Losses, As Restated, referred to in our report of even date.

for **Sharad Jain Associates**
Chartered Accountants

for **Walker, Chandiok & Co**
Chartered Accountants

per **Sharad Jain**
Partner

per **B. P. Singh**
Partner

Place: New Delhi
Date: November 3, 2012

STATEMENT OF CASH FLOWS, AS RESTATED
Annexure III

(Amounts in Rs. Millions)

Particulars	For the year ended September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax, as restated	1,780.36	2,636.10	1,662.98	918.33	189.03	130.54
Adjustments for:						
Depreciation and amortization	47.57	64.34	29.48	17.18	13.55	7.29
Unrealised foreign exchange (gain)/loss	(160.57)	272.47	(137.67)	(102.76)	(70.68)	(6.33)
Unrealised (gain)/loss on commodity trading in futures, net	-	-	-	(0.10)	2.57	-
(Gain)/loss on sale of fixed assets	(0.04)	1.88	0.36	-	-	0.01
Interest income on fixed deposit	(40.02)	(169.45)	(76.88)	(20.14)	(38.03)	(10.69)
Interest income on loan given to subsidiary	-	(3.63)	-	-	-	-
Interest income on loan given to others	(4.30)	-	-	-	-	-
Interest expense	487.67	650.92	389.04	299.98	170.20	75.74
Profit on disposal of investment	(2.26)					
Bad debts written off	-	-	-	-	1.49	-
Employee benefits	2.77	3.23	0.40	1.20	0.61	0.56
Operating profit before working capital changes	**2,111.18**	**3,455.86**	**1,867.71**	**1,113.69**	**268.74**	**197.12**
Adjustments for:						
Increase in inventories	(2,238.64)	(6,229.18)	(1,713.12)	(1,738.93)	(705.27)	(565.06)
Increase in trade receivable	(258.54)	(2,449.23)	(1,761.14)	(814.25)	(1,301.33)	(119.14)
Increase in loan and advances	(778.54)	(588.29)	(239.57)	(43.01)	(43.38)	(1.29)
Decrease/(increase) in other assets	-	72.09	(9.49)	(62.46)	(0.03)	0.03
Increase in trade payable	4,681.30	1,842.07	1,669.31	3,282.35	352.70	498.18
Increase in other current liabilities	154.22	681.20	76.03	31.46	43.48	9.18
Cash generated from/(used in) operating activities	**3,670.98**	**(3,215.48)**	**(110.27)**	**1,768.85**	**(1,385.09)**	**19.02**
Direct taxes paid	418.26	161.57	183.04	67.97	34.03	15.46
Net cash generated from/(used in) operating activities	**3,252.72**	**(3,377.05)**	**(293.31)**	**1,700.88**	**(1,419.12)**	**3.56**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchases of fixed assets including capital advances and movement in intangible assets under development	(107.46)	(497.50)	(140.88)	(171.86)	(47.67)	(47.36)
Proceeds from sale of fixed assets	1.40	3.26	0.05	-	-	0.84
Investment in a subsidiary	-	(0.10)	-	-	-	-
Loan given to subsidiary	-	(85.76)	-	-	-	-
Proceeds from sale of investments	2.36	-	-	-	-	-
Interest received	28.32	183.44	53.73	23.18	30.14	8.94
Movement in fixed deposits (with maturity more than 3 months)	6.62	17.67	(29.18)	37.95	(49.41)	4.07
Net cash used in investing activities	**(68.76)**	**(378.99)**	**(116.28)**	**(110.73)**	**(66.94)**	**(33.51)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Issue of share capital including security premium	-	-	270.00	180.00	-	40.00
Repayment of long term borrowings	(4.96)	(6.44)	(42.65)	(22.77)	(3.92)	(1.04)
Proceeds from long term borrowings	-	19.06	18.45	38.18	20.00	11.96

Particulars	For the year ended September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Net proceeds from short term borrowings	(1994.87)	4,360.61	579.70	(1,364.66)	1,618.49	107.30
Share application money, net	-	(6.99)	(261.76)	88.28	138.24	(10.36)
Share issue expenses (to the extent not written off)	(13.10)	(56.34)	-	-	-	-
Interest paid	(491.28)	(631.46)	(371.31)	(292.79)	(169.52)	(75.26)
Net cash (used in)/generated from financing activities	**(2504.21)**	**3,678.44**	**192.43**	**(1,373.76)**	**1,603.29**	**72.60**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**679.75**	**(77.60)**	**(217.16)**	**216.39**	**117.23**	**42.65**
Opening cash and cash equivalents	112.98	190.58	407.74	191.35	74.12	31.47
Closing cash and cash equivalents*	792.73	112.98	190.58	407.74	191.35	74.12
	679.75	**(77.60)**	**(217.16)**	**216.39**	**117.23**	**42.65**
*** Reconciliation of cash and cash equivalents**						
Cash in hand	647.19	31.48	105.81	12.97	13.12	3.29
Cheques in hand	8.27	2.55	2.99	0.79	0.01	-
Balance with scheduled banks :						
Current account	137.27	78.95	81.78	393.98	178.22	70.83
Fixed deposit account	17.54	24.17	41.83	12.66	50.60	1.19
	810.27	**137.15**	**232.41**	**420.40**	**241.95**	**75.31**
Less : Fixed deposit not considered as cash equivalents	(17.54)	(24.17)	(41.83)	(12.66)	(50.60)	(1.19)
	792.73	**112.98**	**190.58**	**407.74**	**191.35**	**74.12**

Note:
The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

This is the Statement of Cash Flows, As Restated, referred to in our report of even date.

for **Sharad Jain Associates**
Chartered Accountants

for **Walker, Chandiok & Co**
Chartered Accountants

per **Sharad Jain**
Partner

per **B. P. Singh**
Partner

Place: New Delhi
Date: November 3, 2012

Annexure IV – STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY

1. Background

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

2. Summary of significant accounting policies

a) Basis of preparation

The ‘Summary Statement of the Assets and Liabilities, As Restated’ of the Company as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008, the ‘Summary Statement of Profits and Losses, As Restated’ and the ‘Statement of Cash Flows, As Restated’ for the period/years ended September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 (collectively referred to as ‘ Restated Summary Statements’) have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (‘SEBI’) in connection with the proposed Initial Public Offering (hereinafter referred to as ‘IPO’).

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

The Restated Summary Statements of the Company have been prepared to comply in all material respects with the requirements of Part II of Schedule II to the Act and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

b) Use of estimates

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

c) Fixed assets

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

d) Depreciation and amortisation

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

Description	Rates of depreciation
Building	10.00 %
Plant and machinery	13.91 %
Office equipment	13.91 %
Computers	40.00 %
Furniture and fixtures	18.10 %
Vehicles	25.89 %

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

e) Valuation of inventories

Inventories are valued as follows:

Raw material:
Lower of cost or net realizable value. Cost is determined on a first in first out basis.

Work-in-progress:
At cost up to estimated stage of completion.

Finished goods:
Lower of cost or net realizable value. Cost includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

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

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

Alloys and consumables are charged to the Summary Statement of Profits and Losses, As Restated.

f) Revenue recognition

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

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

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

g) Investments

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

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

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

h) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the period are recognised in the Summary Statement of Profits and Losses, As Restated.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the period. Differences arising there from are recognised in the Summary Statement of Profits and Losses, As Restated.

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

i) Derivative instruments

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

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

j) Employee benefits

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

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

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

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

k) Impairment of assets

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

l) Taxation

Tax expense comprises of current tax, deferred tax and fringe benefit tax.

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

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

The Company has two units which are located in Special Economic Zone, viz, Unit I and Unit II. Unit II is exempted from income tax (current tax) till March 31, 2015 and both the aforementioned units are partly exempted till March

31, 2022 and March 31, 2025 respectively under the provisions of Section 10AA of the Income Tax Act, 1961. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income-tax as aforesaid.

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

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

Fringe benefit tax up to March 31, 2009 has been determined in accordance with the provision of section 115WC of the Income-tax Act, 1961. No liability of the same has been recorded thereafter subsequent to the abolishment of the aforementioned tax.

m) Leases

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

ii) Assets acquired on lease where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The resultant interest cost is charged to Summary Statement of Profits and Losses, As Restated on accrual basis.

n) Share issue expenses

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

o) Earnings per share

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

For the purpose of calculating diluted earnings per share, the restated 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.

p) Provisions and Contingencies

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

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

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

q) Cash and cash equivalents

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

3. Impact of material adjustments

Below mentioned is the summary of results of adjustments made in the audited accounts of the respective period/years and its impact on profits and losses and assets and liabilities.

(Amounts in Rs. Millions)

S.no.	Particulars	For the period ended September 30,	For the year ended March 31,				
		2012	**2012**	**2011**	**2010**	**2009**	**2008**
i)	**Preliminary expenses**						
	(Refer Note 4(ii) of Annexure IV)						
	Prior to restatement adjustment entry	-	-	1.61	0.53	0.12	0.12
	Restatement adjustment -Dr/ (Cr)	-	-	(1.61)	0.97	*	0.28
	As restated	**-**	**-**	**-**	**1.50**	**0.12**	**0.4**
ii)	**Gratuity expenses**						
	(Refer Note 4(iii) of Annexure IV)						
	Prior to restatement adjustment entry	2.77	3.23	3.04	-	-	-
	Restatement adjustment -Dr/ (Cr)	-	-	(2.64)	1.20	0.61	0.56
	As restated	**2.77**	**3.23**	**0.40**	**1.20**	**0.61**	**0.56**
iii)	**Depreciation and amortization**						
	(Refer Note 4(iv) of Annexure IV)						
	Prior to restatement adjustment entry	47.57	65.90	29.71	18.58	11.84	6.53
	Restatement adjustment -Dr/ (Cr)	-	(1.56)	(0.23)	(1.40)	1.71	0.76
	As restated	**47.57**	**64.34**	**29.48**	**17.18**	**13.55**	**7.29**
iv)	**Export sales**						
	(Refer Note 4(v) of Annexure IV)						
	Prior to restatement adjustment entry	6,052.22	10,024.37	6,792.39	3,299.49	2,864.56	1,150.94
	Restatement adjustment - (Dr)/ Cr	-	-	11.67	(91.53)	45.05	34.81
	As restated	**6,052.22**	**10,024.37**	**6,804.06**	**3,207.96**	**2,909.61**	**1,185.75**
v)	**Cost of material consumed**						

	(Refer Note 4(vi) and Note 5(x) of Annexure IV)						
	Prior to restatement adjustment entry	17,527.64	31,273.55	18,339.48	9,196.78	5,878.91	3,333.71
	Restatement adjustment – Dr/(Cr)	-	(0.31)	(436.62)	128.59	82.11	68.45
	As restated	**17,527.64**	**31,273.24**	**17,902.86**	**9,325.37**	**5,961.02**	**3,402.16**
vi)	**Changes in inventories of finished goods and work in progress**						
	Refer Note 4(vi) and Note 5(x) of Annexure IV)						
	Prior to restatement adjustment entry	2,009.40	6,137.24	2,157.77	1,014.47	624.08	531.17
	Restatement adjustment– (Dr)/Cr	-	5.72	(442.44)	352.17	(56.42)	12.77
	As restated	**2,009.40**	**6,142.96**	**1,715.33**	**1,366.64**	**567.66**	**543.94**
vii)	**Gain/(loss) on foreign currency translation**						
	(Refer Note 4(i) and 4(vii) of Annexure IV)						
	Prior to restatement adjustment entry	27.27	(824.92)	89.58	150.54	(76.72)	11.76
	Restatement of monetary assets and liabilities - (Dr)/ Cr	-	0.16	83.84	(60.85)	(29.47)	4.76
	Derivatives- (Dr)/ Cr	-	-	(61.19)	80.71	(19.52)	-
	As restated	**27.27**	**(824.76)**	**112.23**	**170.40**	**(125.71)**	**16.52**
viii)	**Tax earlier years**						
	(Refer Note 4(viii) of Annexure IV)						
	Prior to restatement adjustment entry	-	(0.07)	1.38	0.53	0.54	-
	Restatement adjustment -Dr/ (Cr)	-	0.07	(1.05)	0.93	(0.49)	0.55
	As restated	-	-	**0.33**	**1.46**	**0.05**	**0.55**
ix)	**Gain/(loss) from commodity trading in futures, net**						
	(Refer Note 4(x) of Annexure IV)						
	Prior to restatement adjustment entry - Gain/(loss)	(9.46)	9.91	(8.72)	8.21	12.29	(1.16)
	Restatement adjustment -(Dr)/ Cr	-	-	(0.10)	2.68	(2.57)	(0.34)
	As restated	**(9.46)**	**9.91**	**(8.82)**	**10.89**	**9.72**	**(1.50)**
x)	**Bad debts written off**						
	Prior to restatement adjustment entry	-	-	1.49	-	-	-
	Restatement adjustment –(Dr)/ Cr	-	-	(1.49)	-	1.49	-
	As restated	-	-	-	-	1.49	-
xi)	**Interest expense**						
	(Refer Note 4(xi) and Note 5(x) of Annexure IV)						
	Prior to restatement adjustment entry	485.70	608.66	378.10	295.51	168.29	75.26
	Restatement adjustment – Dr / (Cr.)	-	14.73	3.60	0.18	1.59	-
	As restated	**485.70**	**623.39**	**381.70**	**295.69**	**169.88**	**75.26**

xii) Prior period expenses

(Refer Note 4(ix) of Annexure IV)						
Prior to restatement adjustment entry	6.81	-	4.24	-	-	-
Restatement adjustment – Dr / (Cr.)	(6.81)	-	-	-	-	-
As restated	-	-	**4.24**	-	-	-
xiii) Interest on late deposit of advance tax (Refer Note 4(ix) of Annexure IV)						
Prior to restatement adjustment entry	1.97	20.72	7.34	4.29	0.32	0.49
Restatement adjustment – Dr / (Cr.)		6.81	-	-	-	-
As restated	**1.97**	**27.53**	**7.34**	**4.29**	**0.32**	**0.49**
Total impact of restatement adjustments	**6.81**	**(13.86)**	**31.80**	**152.71**	**(149.94)**	**(18.58)**
Tax impact of adjustments	**-**	1.41	(3.61)	(33.31)	30.81	7.77
Net impact of adjustments on profit	**6.81**	**(12.45)**	**28.19**	**119.40**	**(119.13)**	**(10.81)**

4. Restatement adjustment

i. During the years ended March 31, 2010, 2009 and 2008, monetary assets and liabilities denominated in foreign currency were not appropriately restated as at the financial year end date as against the requirements of the notified Accounting Standard ('AS') – 11 'The effects of changes in foreign exchange rates'. Accordingly, for the purposes of Restated Summary Statements, the carrying amount of such monetary assets and liabilities denominated in foreign currency have been restated as at each financial year end date and corresponding impact of foreign exchange fluctuation has been recorded in Summary Statement of Profits and Losses, As Restated of the respective years. Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

ii. During the previous years, the Company had incurred certain preliminary expenditure which was getting amortised over a period of five years. The unamortised portion of the same was being disclosed as miscellaneous expense in the Summary Statement of Assets and Liabilities, As Restated. Pursuant to the applicability of the notified accounting standard 26, 'Intangible assets', all preliminary expenses need to be charged to the Summary Statement of Profits and Losses, As Restated in the year in which they are incurred. Accordingly, the carrying amount of miscellaneous expenditure forming part of the Summary Statement of Assets and Liabilities, As Restated as on March 31, 2010, 2009 and 2008 and not charged to Summary Statement of Profits and Losses, As Restated has now been charged off in the year of incurrence. Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

iii. During the years ended March 31, 2010, 2009 and 2008, the Company had not provided for any liability towards gratuity per the requirements of the notified AS 15 (Revised 2005) 'Accounting for employee benefits' which requires accrual basis of accounting. For the year ended March 31, 2011, the Company has recorded gratuity provision in accordance with AS-15. Accordingly, for the purposes of Restated Summary Statements, this treatment has been applied retrospectively. Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

iv. During the previous years, the Company had revised its estimate of useful life of leasehold improvements. For the purpose of the Restated Summary Statements, the impact of the change in the estimated useful life of lease hold improvements has been adjusted in the relevant years with retrospective effect. The accumulated depreciation and net block of the relevant years have also been adjusted in the Restated Summary Statements. Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

v. During the previous years, the Company has changed its accounting policy in respect of sale of goods at prices that are yet to be fixed at the year end and pursuant to this change; adjustments to the provisional amount billed to the customers are made based at the year end closing rate of gold. The Company has made the appropriate adjustments on this account in the respective previous years.

vi. During the previous years, the Company has changed its accounting policy in respect of purchase of goods at prices that are yet to be fixed at the year end and pursuant to this change; adjustments to the provisional amounts invoiced by the vendor are recognised based on the year end closing rate of gold. Further, the Company during the previous years also adopted the policy of restating the purchase values as on the date of fixing the price of gold as against restating the same at the time of payment. The Company has made the appropriate adjustments on this account in the respective previous years in the raw material consumption, increase/ decrease in stock and closing inventories. Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

vii. During the previous years, the Company has revised its accounting policy of not accounting for unrealized gains and losses on outstanding forward contracts on highly probable forecast transactions to doing a mark to market valuation of the same and recognizing the unrealized gains and losses per the available guiding principles of the AS 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India. The Company has made the appropriate adjustments on this account in the respective previous years per information available with the Company.

viii. During the years ended March 31, 2012, 2011, 2010, 2009 and 2008, certain taxes have been accounted for pertaining to earlier years based on intimations/ orders received from Income-tax authorities. For the purpose of the Restated Summery Statements, such items have been appropriately adjusted to the respective years to which they relate. Further, opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of such items incurred prior to March 31, 2007.

ix. During the period ended September 30, 2012, the interest paid on late deposit of advance tax pertaining to earlier years has been appropriately adjusted to the respective year to which it relates.

x. During the previous years, the Company has changed its accounting policy in respect of accounting for derivatives for commodity transactions and pursuant to this change, the Company has made the appropriate adjustments on this account in the respective previous years per information available with the Company. Further, opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of such items incurred prior to March 31, 2007.

xi. During the years ended March 31, 2011, 2010, 2009 and 2008, the Company had recorded the interest charge on the purchase of Gold from certain nominated agencies on cash basis at the time of making the payment as against apportioning the same over the period. The Company has made the appropriate adjustments on this amount in the respective years.

5. Material reclassifications/adjustments

Appropriate reclassifications/ adjustments have been made in the Summary Statements of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Statement of Cash Flows, As Restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended September 30, 2012 and the requirements of the SEBI Regulations. Material reclassifications/ adjustments made are as under:

i. During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act, 1956 , has become applicable to the Company for the preparation and presentation of its financial statements, accordingly previous years' figures have been re-grouped/re-classed wherever applicable.

ii. Upto the year ended March 31, 2010, interest income was netted off against the interest expenses. Accordingly, this has been reclassified under 'Statement of Other income' in the Summary Statement of Profits and Losses, As Restated.

iii. Upto the year ended March 31, 2010, closing stock of raw materials, work in progress and finished goods were classified together as Inventories as against disclosing separately. Accordingly, this has been appropriately disclosed separately as raw materials, work in progress and finished goods respectively in the Summary Statement of Assets and Liabilities, As Restated.

iv. Interest accrued but not due on fixed deposit had been classified as 'Loans and Advances'. Accordingly, this has been reclassified under 'Statement of Other Current Asset' and 'Statement of Other Non Current Asset' in the Summary Statement of Assets and Liabilities, As Restated for the years ended March 31, 2010, 2009 and 2008.

v. During the years ended March 31, 2009, 2008 and 2007, certain sundry debtors outstanding for more than six months were classified as outstanding for less than six months. Accordingly, this has been appropriately reclassified in the 'Statement of Trade receivable, As Restated' in the Summary Statement of Assets and Liabilities, As Restated in the respective years.

vi. The Company, up to the year March 31, 2010, was classifying the amount of fluctuation in the foreign currency rate post the date of fixing the gold rate in the cost of purchases. Accordingly, other than purchases from Corporation bank which has been further elaborated in Note 6 below, this has been classified under 'foreign currency translation gain/loss, net' in the 'Statement of Other income, As Restated' and 'Statement of Other Expenses, As Restated' respectively in the Summary Statement of Profits and Losses, As Restated.

vii. With effect from March 31, 2010, the fixed deposits made for the purposes of the letters of credits opened for procurement of gold have been netted off with the sundry creditors outstanding against them. Therefore, the fixed deposit balance in the years ended March 31, 2009 and 2008 have been netted off with the sundry creditors in the Restated Summary Statements at each balance sheet date.

viii. In the year ended March 31, 2010, the debit balances in cash credit accounts were shown under the head Secured loan which has been classified under the head Cash and bank balances in the Restated Summary Statements.

ix. During the year ended March 31, 2009, the foreign currency translation gain was clubbed under the head Sales which has been reclassified and netted with the foreign currency translation loss in the 'Statement of Other expenses, as Restated' in the 'Summary Statement of Profits and Losses, As Restated'.

x. During the years ended March 31, 2011, 2010, 2009 and 2008, the interest charged on the purchase of Gold from certain nominated agencies was clubbed under the head Purchases which has been reclassified under the head Finance costs in the 'Summary Statement of Profits and Losses, As Restated'.

xi. During the year ended March 31, 2009, Company had taken a secured loan from a bank against which it had submitted a fixed deposit of a similar amount as security. The fixed deposit balance has been netted off with the aforementioned borrowing. Accordingly, the said fixed deposit and loan has been grossed up as 'Statement of cash and bank balances, As Restated' and 'Statement of short term borrowings, As Restated' in the 'Summary Statement of Assets and Liabilities, As Restated' respectively.

6. Non adjusting items

With reference to Note 5(vi) above, the management is unable to ascertain the impact of this reclassification in the case of purchases made from Corporation Bank and hence the effect of the same is not adjusted to the previous years ended March 31, 2010, 2009 and 2008. The management believes that the impact of the same would not be significant.

7. Non disclosure items

The management is unable to ascertain the sales value of the traded goods and hence the same have been included in Sales in the Schedule of Revenue from operations, As Restated in the Summary Statement of Profits and Losses, As Restated.

8. Tax impact of adjustments

The Restated Summary Statements have been adjusted for the tax impact of the restatement adjustments identified above.

9. Segment reporting

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

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

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

Annexure IV – STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY

Information about Business Segment - Primary for the period ended September 30, 2012 and years ended March 31, 2012, 2011, 2010, 2009 and 2008.

(Amounts in Rs. Millions)

Particulars	Export						Domestic						Total					
	September 30, 2012	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**September 30, 2012**	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**September 30, 2012**	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**
REVENUE																		
Sale of goods	6,052.22	10,024.37	6,804.06	3,207.96	2,909.61	1,185.75	12,504.78	20,394.90	12,978.16	6,548.98	3,362.78	2,062.46	18,557.00	**30,419.27**	**19,782.22**	**9,756.94**	**6,272.39**	**3,248.21**
RESULTS																		
Segment results	621.87	777.30	618.39	333.72	208.61	100.25	1,211.96	2,015.42	1,080.32	623.71	(0.83)	56.77	1,833.83	**2,792.72**	**1,698.71**	**957.43**	**207.78**	**157.02**
Unallocated expenditure	-	-	-	-	-	-	-	-	-	-	-	-	53.47	**156.55**	**32.53**	**38.16**	**19.24**	**25.94**
Profit before tax	**621.87**	777.30	618.39	333.72	208.61	100.25	1,211.96	2,015.42	1,080.32	623.71	(0.83)	56.77	1,780.36	2,636.17	1,666.18	919.27	188.54	131.08
Less: Prior period Expense(unallocable)	-	-	-	-	-	-	-	-		-	-	-	-	-	4.24	-	-	-
Profit after prior period adjustment	**621.87**	**777.30**	**618.39**	**333.72**	**208.61**	**100.25**	**1,211.96**	**2,015.42**	**1,080.32**	**623.71**	**(0.83)**	**56.77**	**1,780.36**	**2,636.17**	**1,661.94**	**919.27**	**188.54**	**131.08**
Less: Tax expense	-	-	-	-	-	-	-	-	-	-	-	-	360.51	335.71	185.10	135.30	(2.13)	12.21
Profit after tax	**621.87**	**777.30**	**618.39**	**333.72**	**208.61**	**100.25**	**1,211.96**	**2,015.42**	**1,080.32**	**623.71**	**(0.83)**	**56.77**	**1,419.85**	**2,300.46**	**1,476.84**	**783.97**	**190.67**	**118.87**
Assets																		
Segment assets	6,084.96	6,225.53	4,232.65	2,207.74	1,564.39	308.88	17,780.42	13,534.87	6,515.33	4,905.15	2,505.84	1,422.96	**23,865.38**	**19,760.40**	**10,747.98**	**7,112.89**	**4,070.23**	**1,731.84**
Unallocated assets													309.21	**587.99**	**40.57**	**16.41**	**48.27**	**10.35**
Total assets	**6,084.96**	**6,225.53**	**4,232.65**	**2,207.74**	**1,564.39**	**308.88**	**17,780.42**	**13,534.87**	**6,515.33**	**4,905.15**	**2,505.84**	**1,422.96**	**24,174.59**	**20,348.39**	**10,788.55**	**7,129.30**	**4,118.50**	**1,742.19**
Liabilities																		
Segment liabilities	5,463.04	5,442.21	3,625.18	1,926.99	1,354.20	208.62	11,523.17	9,088.05	3,847.93	3,380.36	2,034.03	1,128.15	**16,986.21**	**14,530.26**	**7,473.11**	**5,307.35**	**3,388.23**	**1,336.77**
Unallocated liabilities													211.38	**260.98**	**58.75**	**301.60**	**184.25**	**50.21**
Total liabilities	**5,463.04**	**5,442.21**	**3,625.18**	**1,926.99**	**1,354.20**	**208.62**	**11,523.17**	**9,088.05**	**3,847.93**	**3,380.36**	**2,034.04**	**1,128.14**	**17,197.59**	**14,791.24**	**7,531.86**	**5,608.95**	**3,572.48**	**1,386.98**
Capital expenditure	0.07	4.57	1.90	40.53	0.73	0.34	107.39	491.63	138.31	130.73	39.70	47.02	**107.46**	**496.20**	**140.21**	**171.26**	**40.43**	**47.36**
Unallocated capital expenditure													-	**1.30**	**0.65**	**0.58**	**7.25**	-
Total capital expenditure	0.07	4.57	1.90	40.53	0.73	0.34	107.39	491.63	138.31	130.73	39.70	47.02	107.46	497.50	140.86	171.84	47.68	47.36
Depreciation	2.25	4.44	0.24	0.19	0.11	0.02	45.32	59.90	29.24	16.99	13.44	7.27	**47.57**	**64.34**	**29.48**	**17.18**	**13.55**	**7.29**
Unallocated													-	-	-	-	-	-

Particulars	Export						Domestic						Total					
	September 30, 2012	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**September 30, 2012**	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**	**September 30, 2012**	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**
depreciation																		
Total depreciation	**2.25**	4.44	0.24	0.19	0.11	0.02	45.32	59.90	29.24	16.99	13.44	7.27	47.57	64.34	29.48	17.18	13.55	7.29
Non cash expenditures other than depreciation (net)																		
Gratuity		-	-	-	-	-		-	-	-	-	-	**2.77**	**3.23**	**0.40**	**1.20**	**0.61**	**0.56**
Unrealised foreign exchange gain/(loss)	223.89	137.02	136.26	63.94	84.91	(0.06)	(63.32)	(409.49)	1.41	38.82	(14.23)	6.39	**160.57**	**(272.47)**	**137.67**	**102.76**	**70.68**	**6.33**
Unrealised gain/(loss) on commodity trading in futures, net		-	-	-	-	-		-	-	0.10	(2.57)	-		-	-	**0.10**	**(2.57)**	-
Bad debts written off	-	-	-	-	1.49	-		-	-	-	-	-		-	-	-	**1.49**	-

Notes:

1. Segment assets include capital work in progress and capital advances.

2. Capital expenditure pertains to additions made to fixed assets during the year.

3. Non cash items includes provision for gratuity, unrealised foreign exchange fluctuation and bad debts written off.

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10. Leases

i. The Company leases certain office premises under operating lease arrangements. The minimum amount payable in future towards non cancellable lease agreements is as under:

(Amounts in Rs.Millions)

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Not later than one year	135.68	114.97	62.50	35.05	18.00	5.40
Later than one year but not later than five years	79.81	79.21	61.35	40.06	23.80	2.40
Total	**215.49**	**194.18**	**123.85**	**75.11**	**41.80**	**7.80**

ii. Lease payments under operating lease are recognized as an expense in the Summary Statement of Profits and Losses, As Restated as rentals

11. Finance lease

Finance lease represents liability towards assets purchased on leases and are secured by first charge over those assets. Repayment schedule of finance lease liability is as under:

(Amounts in Rs.Millions)

Year ending March 31,	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
2008			-	-	-	-
2009			-	-	-	5.00
2010			-	-	4.85	4.68
2011			-	4.68	3.47	3.47
2012			7.09	1.27	-	-
2013	5.96	12.32	6.47	0.99	-	-
2014	11.46	11.34	5.51	0.03	-	-
2015	8.97	8.89	3.19	-	-	-
2016	2.92	2.91	-	-	-	-
2017	1.56	1.56	-	-	-	-
Total	30.87	37.02	22.26	6.97	8.32	13.15
Less: Interest	4.27	5.46	3.32	0.59	0.6	1.51
Grand Total	**26.60**	**31.56**	**18.94**	**6.38**	**7.72**	**11.64**

12. a) As at March 31, 2011 and 2010, the Company had outstanding buyer's credit amounting to Rs. 1,234.84 millions and Rs. 149.05 millions respectively against fixed deposit of the corresponding amounts. The fixed deposits have been netted off from the above mentioned outstanding amounts in the Restated Summary Statements.

b) As at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008, the Company had sundry creditors amounting to Rs. 1,071.85 million, Rs. 635.27 millions, Rs. 738.09 millions, Rs. 406.66 millions, Rs. 193.42 millions and Rs. 454.53 respectively against which they had fixed deposits of the corresponding amounts. The fixed deposits have been netted off from the above mentioned sundry creditors in the Restated Summary Statements.

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

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

i. The following are the outstanding forward contracts/derivative contracts in respect of foreign currency loans and certain forecast transactions:

(Amounts in USD Millions)

Description	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Nature of hedge	Forward contract					
Description of hedge	To take protection against appreciation/depreciation in USD payable against INR					
Amount in USD	176.10	94.64	136.59	21.68	12.51	-

ii. Derivative on Commodity transactions:

(Amounts in Rs. Millions)

Description	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Nature of hedge instrument	Futures in Gold					
Description of hedge	To safeguard the risk of appreciation in Gold price					
Amount	-	-	-	2.46	-	-

iii. The detail of foreign currency exposure that are not hedged by derivative instrument or otherwise are mentioned below:

Description	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Included in	**Sundry Creditors**					
Currency	USD	USD	USD	USD	USD	USD
Currency rate (Rs./USD)	52.70	51.16	44.65	45.14	50.95	39.97
Amount in USD Millions	154.14	126.69	116.09	96.95	22.73	28.35
Amount in Rs. Millions	**8,123.18**	**6,481.46**	**5,183.42**	**4,376.32**	**1,158.09**	**1,133.15**
Included in	**Sundry Debtors**					
Currency	USD	USD	USD	USD	USD	USD
Currency rate	52.70	51.16	-	45.14	50.95	39.97
Amount in USD Millions	39.68	66.24	-	25.01	14.28	4.79
Amount in Rs.	**2,091.14**	**3,388.84**	**-**	**1,128.95**	**727.57**	**191.46**

Annexure IV – STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY

Millions						
Included in			**Secured loans**			
Currency	-	USD	USD	-	-	-
Currency rate (Rs./USD)	-	44.65	45.14	-	-	-
Amount in USD Millions	-	1.90	3.21	-	-	-
Amount in Rs. Millions	**-**	**84.84**	**144.90**	-	-	-

14. During the previous year ended March 31, 2012 , the Company has instituted an Employee Stock Option Plan ('ESOP') consequent to which 2,679,330 equity shares of Rs. 10 each will be granted as stock options to eligible employees. The exercise price of these options will be determined by the Compensation Committee and will vest over a period of 48 months from the grant date. However, the Company has not granted any ESOPs till date.

15. On July 5, 2011 the Company has converted into a public limited company. Further, pursuant to the new certificate of incorporation dated August 2, 2011 issued by the Registrar of Companies, NCT of Delhi and Haryana, the name of the Company has been changed to PC Jeweller Limited.

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STATEMENT OF LONG TERM BORROWINGS, AS RESTATED
Annexure V

(Amounts in Rs. Millions)

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
	Non current portion	Current Maturities	Non current portion	Current Maturities	Non current portion	Current Maturities	Non current portion	Current Maturities	Non current portion	Current Maturities	Non current portion	Current Maturities
Secured												
Vehicle loans from												
Union Bank of India	-	-	-	0.38	0.38	0.44	0.82	0.33	-	-	-	-
Corporation Bank	6.58	4.55	8.81	4.32	12.90	3.94	-	-	-	-	-	-
HDFC Bank	-	0.25	-	0.61	0.61	0.67	1.28	1.46	0.88	1.34	2.14	1.38
ICICI Bank	1.24	1.11	1.81	1.06	-	-	-	2.08	2.12	2.43	4.40	2.24
Axis Bank	7.06	1.86	8.01	1.77	-	-	-	-	-	-	-	-
State Bank of Bikaner and Jaipur	1.42	1.19	2.12	1.13	-	-	-	-	-	-	-	-
Kotak Mahindra Prime Limited	-	-	-	-	-	-	-	0.41	0.39	0.56	0.97	0.51
Karur Vysya Bank	0.95	0.39	1.16	0.38								
Sub-total	**17.25**	**9.35**	**21.91**	**9.65**	**13.89**	**5.05**	**2.10**	**4.28**	**3.39**	**4.33**	**7.51**	**4.13**
Term loans from												
ING Vysya Bank	-	-	-	-	-	-	18.59	14.17	-	-	-	-
Axis Bank	-	-	-	-	-	-	-	4.00	4.00	16.00	-	-
Sub-total	**-**	**-**	**-**	**-**	**-**	**-**	**18.59**	**18.17**	**4.00**	**16.00**	**-**	**-**
Total	**17.25**	**9.35**	**21.91**	**9.65**	**13.89**	**5.05**	**20.69**	**22.45**	**7.39**	**20.33**	**7.51**	**4.13**
The above amount includes												
Secured borrowings	17.25	9.35	21.91	9.65	13.89	5.05	20.69	22.45	7.39	20.33	7.51	4.13
Amount disclosed under the head 'Other Current Liabilities'	-	(9.35)	-	(9.65)	-	(5.05)	-	(22.45)	-	(20.33)	-	(4.13)
Total	**17.25**	**-**	**21.91**	**-**	**13.89**	**-**	**20.69**	**-**	**7.39**	**-**	**7.51**	**-**

Notes
1. The repayment terms including interest rates on vehicle loans are as per the agreements with the respective banks.

2. The Company has not made any pre-payment of loans against the payment schedule agreed with banks except in case of a term loan taken from ING Vysya Bank where the Company has made a prepayment amounting to Rs. 18.59 millions during the year ended March 31, 2011. Further, no restructuring or rescheduling of loans were made during the period ended September 30, 2012 and years ended March 31, 2012, 2011, 2010, 2009 and 2008.

STATEMENT OF PROVISIONS, AS RESTATED
Annexure VI

(Amounts in Rs. Millions)

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
Provisions for employee benefits (Refer note (a) below)	8.61	0.42	6.09	0.17	2.94	0.10	2.51	0.12	1.43	0.01	0.82	0.01
Provision for taxation (net of prepaid taxes)	-	211.42	-	254.52	-	47.85	-	40.17	-	1.98	-	6.66
Less: Minimum alternate tax credit utilization	-	(9.08)										
Provision for wealth tax	-	-	-	0.20	-	0.39	-	0.07	-	-	-	-
Provision for fringe benefit tax	-	-	-	-	-	-	-	-	-	0.51	-	0.50
	8.61	**202.76**	**6.09**	**254.89**	**2.94**	**48.34**	**2.51**	**40.36**	**1.43**	**2.50**	**0.82**	**7.17**

(a) **Employee benefits**

	September 30, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Change in projected benefit obligation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Projected benefit obligation at the beginning of the period/year	6.26	3.04	2.64	1.44	0.83	0.27
Service cost	1.94	3.45	1.60	1.36	0.66	0.33
Interest cost	0.27	0.25	0.21	0.11	0.07	0.02
Actuarial (gain)/ loss	0.56	(0.47)	(1.41)	(0.27)	(0.12)	0.20
Projected benefit obligation at the end of the period/year	**9.03**	**6.27**	**3.04**	**2.64**	**1.44**	**0.82**
Expense recognised in the Statement of Profit and Loss						
Service cost	1.94	3.45	1.60	1.36	0.66	0.33
Interest cost	0.27	0.25	0.21	0.11	0.07	0.02
Recognized net actuarial (gain)/loss	0.56	(0.47)	(1.41)	(0.27)	(0.12)	0.20
Net costs	**2.77**	**3.23**	**0.40**	**1.20**	**0.61**	**0.55**

	September 30, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Assumptions used						
Discount rate	8.60%	8.60%	8.10%	7.90%	7.50%	8.20%
Long-term rate of compensation	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

increase						
Average remaining life	30.88	31.14	31.87	31.78	31.34	30.16

Comparison of defined contribution plan: Contribution to provident fund and other funds

	For the period ended	For the year ended				
	September 30, 2012	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Amount recognized in Statement of Profit and Loss	3.71	7.28	3.92	1.74	0.99	0.40

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

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STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED
Annexure VII

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Secured						
A - Cash credit facilities*						
Corporation Bank	428.05	502.92	48.73	-	327.16	97.49
State Bank of India	528.72	528.18	145.82	-	292.80	194.48
Karur Vysya Bank	9.00	12.33	187.33	2.31	-	-
Axis Bank	97.04	642.41	3.99	-	164.76	-
ICICI Bank	-	-	-	-	170.28	15.80
State Bank of Patiala	512.93	303.38	192.95	-	1.90	-
Union Bank of India	-	47.72	89.82	0.91	353.64	-
Yes Bank	-	71.00	-	56.41	-	-
Indian Overseas Bank	6.11	182.67	-	-	-	108.28
Bank of India	0.74	181.79	25.11	-	-	-
Allahabad Bank	-	506.72	1.41	-	-	-
Kotak Mahindra Bank	13.98	159.33	-	-	-	-
State Bank of Bikaner and Jaipur	58.05	141.28	0.08	-	-	-
IDBI Bank	51.03	-		-	-	-
Sub total	**1,705.65**	**3,279.73**	**695.24**	**59.63**	**1,310.54**	**416.05**
B - Demand loan						
Karur Vysya Bank	-	-	2.20	-	-	-
Federal bank	-	-	-	-	50.00	-
Sub total	**-**	**-**	**2.20**	**-**	**50.00**	**-**
C - Working capital demand loan						
State Bank of India	353.15	151.54	-	-	-	-
HDFC Bank	90.71	-	-	-	-	-
Sub total	**443.86**	**151.54**	**-**	**-**	**-**	**-**
D - Buyers credit						
State Bank of India	-	-	34.06	-	-	-
Karur Vysya Bank	-	-	-	1.48	-	-
Sub total	**-**	**-**	**34.06**	**1.48**	**-**	**-**
E - Packing credit facilities						

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Bank of India	130.74	249.51	14.80	-	238.79	0.02
Allahabad Bank	220.15	68.30	-	-	-	-
Corporation Bank	244.97	416.55	157.07	0.03	52.38	-
Indian Overseas Bank	52.17	44.50	-	-	-	-
State Bank of Bikaner and Jaipur	330.71	239.83	0.01	-	-	-
State Bank of India	75.02	172.15	135.31	-	183.85	-
Karur Vysya Bank	155.24	139.28	10.00	15.50	-	-
Axis Bank	-	15.10	-	-	73.40	-
Yes Bank	-	8.91	-	99.62	-	-
Sub total	**1,209.00**	**1,354.13**	**317.19**	**115.15**	**548.42**	**0.02**
F - Post shipment credit facilities						
Axis Bank	-	-	4.26	16.10	81.50	-
IDBI Bank	109.14	236.50	-	-	-	-
State Bank of India	101.20	190.50	152.30	348.36	21.53	-
State Bank of Bikaner and Jaipur	-	-	50.00	-	-	-
Karur Vysya Bank	3.50	100.00	34.50	135.90	-	-
Yes Bank	1.00	71.62	55.47	-	-	-
Bank of India	-	-	-	48.50	56.99	97.32
Allahabad Bank	125.00	-	-	-	-	-
Canara Bank	50.00	-	-	-	-	-
Corporation Bank	-	345.11	-	32.90	60.15	-
Sub total	**389.84**	**943.73**	**296.53**	**581.76**	**220.17**	**97.32**
Unsecured						
G - Bank overdraft*						
Bank of India	1.80	-	-	-	-	-
Corporation Bank	4.98	0.03	-	0.05	0.45	-
Scotia Bank	1.15	18.80	-	-	-	24.16
Dhanlaxmi Bank	-	-	0.13	-	0.64	-
HDFC Bank	-	-	0.93	-	0.73	0.28
Axis Bank	-	1.32	2.30	0.53	0.73	-
Bank of India	-	0.01	-	-	24.63	-
Centurion Bank	-	-	-	-	0.00	-
ICICI Bank	-	-	-	4.06	-	-

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
State Bank of India	-	-	-	-	-	-
Karur Vysya Bank	-	0.00**	-	-	-	-
IDBI Bank	-	1.87	-	-	-	-
Sub total	**7.93**	**22.03**	**3.36**	**4.64**	**27.18**	**24.44**
H - Loan from						
Promoters and group companies of promoters	-	-	-	-	-	-
Body corporate	-	-	28.00	28.00	-	-
others	-	-	-	1.00	-	-
Sub total	**-**	**-**	**28.00**	**29.00**	**-**	**-**
Total (A+B+C+D+E+F+G+H)	**3,756.28**	**5,751.16**	**1,376.58**	**791.66**	**2,156.31**	**537.83**

**repayable on demand*
*** rounded off to nil*

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Note: The payment terms of the loans from banks are as follows:

Loans from banks

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
Term loans					
1	Axis Bank	Interest is payable at monthly intervals @ Bank prime lending rate ('BPLR') - 2.25%.	5 equal instalments of Rs. 12 million each payable after 4 months from the date of disbursement	Terms and conditions to be decided by the bank on excercising this option	Secured by way of :- 1) An exclusive charge on the assets procured from the bank finance. 2) An exclusive charge on immovable property situated at Bank Street, Karol Bagh, New Delhi in the name of Mr. Padam Chand Garg (1/3rd share).
2	ING Vysya Bank	Interest is payable at monthly intervals @ IVRR - 3.5%.	60 equal monthly instalments.	2% penalty on outstanding amount on pre-payment	Secured by way of :- **I. Primary security :** 1) Assets purchased/created with the term loan. 2) 60 post dated cheques of the working capital lending banker. **II. Collateral security :** 1) Commercial property situated at Lajpat Nagar, New Delhi 2) Commercial property situated at Lajpat Nagar, Jullundhur **III. Personal guarantees :** 1) Shri Padam Chand Gupta, Chairman, 2) Shri Amar Chand Garg (Brother of Mr. Balram Garg and Mr. Padam Chand Gupta) and 3) Shri Balram Garg, Managing director.
Demand loan					
1	Karur Vysya Bank *				
2	Federal Bank *				
Vehicle loans					
1	Corporation Bank	First year is 8.5% per annum. From second year onwards, interest to be fixed at 2.25% above the Base Rate prevailing at the time subject to revision from time to time	48 EMIs amounting to Rs. 4,43,670 for the first year and EMIs for the subsequent period to be fixed on revision of the interest rate.	-	Secured by first charge on the vehicles financed by the bank
2	ICICI Bank	10.50% per annum on each of the three vehicle loans	36 EMIs of Rs. 36,409 each pertaining to each of the three vehicle loans		Secured by first charge on the vehicles financed by the bank
3	Axis Bank	Interest rates varies among different vehicle loans	EMIs varies among different vehicle Loans		Secured by first charge on the vehicles financed by the bank
4	State Bank of Bikaner and Jaipur ('SBBJ')	Interest rates varies among different vehicle loans	EMIs varies among different vehicle Loans		Secured by first charge on the vehicles financed by the bank

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
5	Karur Vysya Bank	12.50% per annum on each of the two vehicle loans	EMIs varies among two vehicle loans as follows: 1)36 EMIs of Rs. 25,090 each 2)48 EMIs of Rs. 20,998 each		Secured by first charge on the vehicles financed by the bank
Buyer's credit					
Rs.					
1	State Bank of India	To be agreed at the time of availing the facility.	As per the maturity terms of Buyer's Credit availed, however, the same generally ranges from 90 days to 360 days.	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company, including receivables, both present and future.2) Counter guarantee of the Company 3) Letter of indemnity. **II. Collateral security and Guarantees:** Refer note below
2	Karur Vysya Bank *				
Packing credit facility					
1	Bank of India	Normal rates stipulated per the Reserve Bank of India ('RBI') guidelines/ bank instructions	*Not specified*	-	Secured by way of :- **I. Primary security :** First pari-passu charge by way of hypothecation of entire current assets of the company including receivables, both present and future **II. Collateral security and Guarantees:** Refer Note below
2	Allahabad Bank	As per the circular	Repayable on demand		Secured by way of :- **I. Primary security :** 1)Exclusive/joint hypothecation charge over the entire current assets of the Company, both present and future, ranking pari passu with other working consortium lenders **II. Collateral security and Guarantees:** Refer note below
3	Corporation Bank	1) 10.75% per annum upto 270 days, this is however subject to revision from time to time *0.25% concession being extended from the Bank's applicable rate due to Gold Card Holders* 2) Rate of interest for 'Packing credit in foreign currency' Facility shall be LIBORof	This facility is permitted to be released on a running account basis with adjustment of the same being done on first in first out basis. Each such packing credit facility shall be closed within 270 days out of the proceeds of the export bills.	-	Secured by way of :- **I. Primary security :** Pari passu first charge on current assets including receivables of the Export Division of the Company. **II. Collateral security and Guarantees:** Refer note below

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
		relative duration plus 350 bps			
4	Indian Overseas Bank	Base rate plus 3.5 %	As per circulars in force		Secured by way of :- **I. Primary security :** 1) First pari passu charge on the current assets of the company, both present and future 2) Foreign documentary demand/usance bill accompanied by airway bills/ bills of lading and cover under JLH. **II. Collateral security and Guarantees**: Refer note below
5	State Bank of Bikaner and Jaipur ('SBBJ')	As applicable under the SBBJ Expo Gold Card Scheme.	To be liquidated within maximum 180 days by lodgement of Export Bills	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables, both present and future 2) Deposits of irrevocable letters of credit/firm contracts drawn in favour of the Company and/or firm contracts entered into between the Company and overseas buyers. 3)First pari passu hypothecation charge of raw materials, finished goods, stocks in process, consumable stores and spares, inward railway receipts/motor transport receipts/bills of lading and other documents of title to goods covering raw materials and finished goods in transit, all pertaining to the Company's exports. **II. Collateral security and Guarantees:** Refer note below
6	State Bank of India ('SBI')	As applicable to SBI Exporters Gold Card Scheme. However the rate are as per Bank's guidelines and subject to change from time to time, which shall be advised to Company	*Not specified*	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the export and domestic divisions of Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
7	State Bank of India (Standby limit under exporter's gold card)	Interest rate as applicable to the facility for which Standby line of credit is availed	*Not specified*		Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the export and domestic divisions of Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
8	Karur Vysya Bank	1% above the Base Rate	*Not specified*	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including domestic and export receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
9	Axis Bank	1) Expot packing credit: : Base Rate plus 2.50% at monthly rests. 2) Packing credit in foreign currency: : To be decided at the time of drawdown subject to availability of funds	Facility will be allowed upto 180 days or expiry of contracts/export letters of credit for shipment, whichever is earlier	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge on the entire current assets of the of the Company, both present and future **II. Collateral security and Guarantees:** Refer note below
10	Yes Bank	Interest rates vary transaction wise and are decided at the time of each disbursement for both facilities as follows: 1)Packing credit facility in indian rupee 2)Packing credit facility in foreign currency	Maximum tenure of 6 months	-	Secured by way of :- **I. Primary security :** 1)First pari passu charge on all current assets of the Company (both present and future). **II. Collateral security and Guarantees:** Refer note below
Post shipment credit facility					
1	Axis Bank	1)Foreign bills purchased/Foreign bills discounted : Base Rate + 2.50% at monthly rests. 2)Post shipment credit in foreign currency : To be decided at time of drawdown subject to availability of funds.	Repayment on due dates. In case of non payment, the bills will be crystallized as per Reserve Bank of India regulations and Interest on crystallized bills @ 2% will be recovered over and above the contracted rate	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge on the entire current assets of the Company, both present and future 2) Export bills with title to the goods duly endorsed in favour of the Bank **II. Collateral security and Guarantees:** Refer note below
2	IDBI Bank	a) As per extant Reserve Bank of India guidelines plus out of pocket expenses, in case of facility availed in foreign currency b) Base rate plus 350 bps per annum, in case of facility availed in Indian rupee.	Realization of export bill on due date.		Secured by way of :- **I. Primary security :** Pari passu first charge on current assets including receivables of the export division of the Company. **II. Collateral security and Guarantees:** Refer note below
3	State Bank of India	As applicable to SBI Exporters Gold Card	*Not specified*	-	Secured by way of :- **I. Primary security :**

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
		Scheme. However, the rate are as per Bank's guidelines and subject to change from time to time, which shall be advised to Company			1) First pari passu charge by way of hypothecation of entire current assets of the domestic and exports divisions of the Company, including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
4	State Bank of Bikaner and Jaipur ('SBBJ')	As applicable under the SBBJ Expo Gold Card Scheme.	Usance period of maximum 120 days	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge by way of hypothecation of entire current assets of the Company including receivables, both present and future 2) Demand/Usance bills of usance period not exceeding 120 days from the date of bill of lading representing export of goods manufactured by the Company and drawn on their foreign buyers accompanied by Bill of Lading/Airway Bill. The documents of title to goods will be delivered against acceptance of usance bills. The facility will be allowed against deposits of letters of credit or firm orders from foreign buyers **II. Collateral security and Guarantees:** Refer note below
5	Karur Vysya Bank	Base rate plus 1%.	*Not specified*	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including domestic and export receivables,both present and future **II. Collateral security and Guarantees:** Refer Note below
6	Yes Bank	Interest rates vary transaction wise and are decided at the time of each disbursement	Maximum tenure of 6 Months	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge on all current assets of the Company (both present and future). **II. Collateral security and Guarantees:** Refer note below
7	Bank of India	Normal rates stipulated per the Reserve Bank of India ('RBI') guidelines/bank instructions	*Not specified*	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge byway of hypothecation of entire current assets of the Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer Note below
8	Canara Bank	As applicable to export credit facility	*Not specified*	-	Secured by way of :- **I. Primary security :**

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
					1) Debtors pertaining to bills discounted with bank **II. Collateral security:** Farm house located at plot No.D-12, Village Asola, New Delhi measuring 3.125 acres in the name of M/s Jewels Pvt Ltd **III. Personal guarantee** a) Sh. Padam Chand Garg b) Sh. Amar Chand Garg c) Sh. Balram Garg d) Sh. Sachin Garg e) Sh. Nitin Garg **IV. Corporate guarantee** a) M/s Shivani Sarees Private Limited b) M/s Spectrum townships Private Limited c) M/s Onyx Township Private Limited d) M/s Trigun Infrastructure Private Limited e) M/s Amar Garments Private Limited f) M/s Suruchi Promoters Private limited g) M/s Jewel Travels Private Limited
9	Corporation Bank	10.75% per annum upto 270 days, this is, however, subject to revision from time to time *0.25% concession being extended from the Bank's applicable rate due to Gold Card Status*	Repayment of Export Bills as per Reserve Bank of India Guidelines	-	Secured by way of :- **I. Primary security :** 1)Pari passu first charge on current assets including receivables of the Export Division of the Company. **II. Collateral security and Guarantees:** Refer Note below
10	Allahabad Bank	As per the circular	Repayable on demand		Secured by way of :- **I. Primary security :** 1)Pari passu first charge on current assets including receivables of the Export Division of the Company. **II. Collateral security and Guarantees:** Refer Note below
Cash credit facility					
1	Corporation Bank	Base rate plus 2.6% per annum with monthly rests. The said interest rate is, however, subject to revision from time to time. If at any time, Lead Bank charge higher rate of	Repayable on demand subject to annual renewal	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge on current assets including receivables of the domestic division of the Company. **II. Collateral security and Guarantees:** Refer note below

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
		interest, such rate will apply			
2	State Bank of India	Base rate plus 2.25% per annum with monthly rests.	Repayable on demand	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
3	State Bank of India(Standby line of credit)	1% above the rate applicable to facilities for which Standby line of credit is being utilized	The Company will be entitiled to avail the facility for maximum period of 60 days in one instance. However, there is no restriction on the number of times this limit is utilised during the tenure of the credit limits sanctioned under this scheme		Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the export and domestic divisions of Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
4	Karur Vysya Bank	Base rate plus 2.5% per annum with monthly rests.	Repayable on demand	-	Secured by way of :- **I. Primary security :** First pari passu charge by way of hypothecation of entire current assets of the Company including domestic and export receivables both present and future **II. Collateral security and Guarantees:** Refer note below
5	Axis Bank	Base rate plus 3% per annum with monthly rests.	Repayable on demand	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge on entire current assets of the Company, both present and future **II. Collateral security and Guarantees:** Refer note below
6	ICICI Bank	Total of I-Base and spread per annum subject to minimum rate of I-Base plus 3% per annum plus applicable interest, tax or other statutory levy, if any, on the principal amount of the loan remains outstanding each	Validity of facility is for 12 months	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the domestic/export division of the Company including receivables, both present and future. **II. Collateral security and Guarantees:** Refer note below

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
		day. Said Interest is however subject to revision from time to time			
7	State Bank of Patiala	Base rate plus 2.5%.	Repayable on demand	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables, both present and future. **II. Collateral security and Guarantees:** Refer note below
8	Union Bank of India	Base Rate plus 2.50%.	Repayable on demand	-	Secured by way of :- **I. Primary security :** **1)** First pari-passu charge by way of hypothecation of entire current assets of the domestic division of the Company including receivables both present and future. **II. Collateral security and Guarantees:** Refer note below
9	Yes Bank	Base rate plus 3.50% per annum.	Repayable on demand	-	Secured by way of :- **I. Primary security :** 1) First Pari passu charge on all current assets of the Company (both present and future). **II. Collateral security and Guarantees:** Refer Note below
10	Indian Overseas Bank	Base rate plus 3.50%, payable at monthly rests.	Repayable on demand	-	Secured by way of :- **I. Primary security :** 1st paripassu charge on the current assets of the Company, both present and future **II. Collateral security and Guarantees**: Refer note below
11	Bank of India	3% over base rate(concession of 1%), payable at monthly rests, subject to change from time to time but it cannot be lower than the interest rate charged by the lead bank of the consortium	Repayable on demand	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge byway of hypothecation of entire current assets of the company including receivables, both present and future **II. Collateral security and Guarantees:** Refer Note below
12	Allahabad Bank	Base rate plus 3.5% but not below the rate charged by the lead bank	Repayable on demand.	-	Secured by way of :- **I. Primary security :** 1)Exclusive/joint hypothecation charge over the entire current assets of the Company, both present and future, ranking pari passu with other working consortium lenders

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
					II. Collateral security and Guarantees: Refer note below
13	Kotak Mahindra Bank	To be decided at the time of draw down	Repayable on demand		Secured by way of :- **I. Primary security :** 1) First pari passu charge alongwith consortium bankers on present and future current assets of the company including receivables **II. Collateral security and Guarantees:** Refer note below
14	State Bank of Bikaner and Jaipur ('SBBJ')	Base rate plus 2.5% subject to changes from time to time, in line with SBI (Lead Bank). However, rate of interest cannot be lower than any other bank of the Consortium	Repayable on demand		Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables,both present and future. **II. Collateral security and Guarantees:** Refer note below
15	IDBI Bank	Base rate plus 400 bps payable monthly	Repayable on demand		Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables,both present and future. **II. Collateral security and Guarantees:** Refer note below
Working Capital Demand Loan					
1	State Bank of India *				
2	HDFC Bank	As per prevailing rate	Minimum tenure of 30 days and maximum tenure of 180 days but not exceeding the validity period of facility , whichever is earlier	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables,both present and future. **II. Collateral security and Guarantees:** Refer note below

**Agreement not available*

Note:
Collateral security:
1) Equitable mortgage of the following properties on pari passu basis with other Working capital consortium members :

a) Commercial property (showroom and corporate office) located at Bank Street, Karol Bagh in the name of Shri Padam Chand Gupta, Chairman (property no. 2706 and 2707) and property no. 2708 being in the joint name of Mr. Padam Chand Gupta, Chairman (2/9th share), Mr. Balram Garg, managing director (1/9th share), Mr. Nitin Garg (son of Mr. Padam Chand Gupta) (1/3rd share) and Mr. Sachin Garg (son of Mr. Padam Chand Gupta) (1/3rd share).
b) Commercial property No. 2713-2716 at Bank Street in the name of Mr. Padam Chand Gupta, Chairman (2/6th share), Mr. Amar Chand Garg, (brother of Mr. Padam Chand Gupta and Mr. Balram Garg) (3/6th share) and Mr. Balram Garg, Managing director (1/6th share).
c) Commercial property No. 2717-2718 at Bank Street, Karol Bagh, in the name of Mr. Padam Chand Gupta, Chairman.
d) Property No. 6720 at Karol Bagh, in the name of Mr. Balram Garg, Managing director.
e) Property at Village Ratangarh, tehsil Shahabad, Kurukshetra in the name of M/s Trigun Infrastructure Private Limited.
f) Leasehold land and double storeyed commercial building, situated at Karol Bagh, New Delhi in name of M/s Amar Garments Private Limited.
g) Property (land and building) situated at Dehradun, Uttaranchal in the name of M/s Suruchi Promoters Private Limited.
h) Residential property at Civil Lines, Delhi in name of Mr. Padam Chand Gupta, Chairman.
i) Built up residential property at Pitampura, in name on Mr. Padam Chand Gupta, Chairman.
j) Commercial property at Rajasthan, in name of M/s Spectrum Townships Private Limited.
k) Farm house at Village Bakoli, in name of Mr. Padam Chand Gupta, Chairman.
l) Commercial property at Pitampura, Delhi in name of Mr. Padam Chand Gupta, Chairman.
m) Commercial property at Ludhiana in the name of M/s Onyx Townships Private Limited.
n) Built up Industrial property at Noida, in the name of M/s Shivani Sarees Private Limited
o) Commercial property at Jalandhar, in name of the Company
p) Residential property located at flat on 2nd floor at Plot No. C-15, Green park extension, New Delhi, in name of M/s Gazal Sarees Private Limited
q)Residential property located at 1st floor, Plot No. A-32, Gulmohar Park, New Delhi in name of M/s Decent Infotech Private Limited
r)Vacant land situated at Village Karanpur, Dehradun bearing Khasra No. 127/2 and 128/2 and at Village Kandoli, Dehradun bearing Khara Nos. 114,115,116,118,119,120,121,122k,122g,123,124k,124kha,124g,125ka,125kha,125ga,125 da in name of M/s Stereo Construction Private Limited
s)Agricultural Land (farm house) at Khasra Nos. 49/14 (0-6), 48/14 (6-10), 49/15 (4-14), 49/17 (3-18) & 49/6 (0-6) measuring about 4.132 acres located at Village Bakoli
t)Other additional properties to maintain the collateral coverage at 25%u)
u)Short term deposit receipts of Rs. 30 lacs

2) First pari passu charges on the entire fixed assets of the Company except those assets and vehicles already charged to banks/financial institutions within/outside the consortium

Personal guarantee :

1) Mr. Padam Chand Gupta (Chairman),
2) Mr. Amar Chand Garg (brother of Mr. Padam Chand Gupta and Mr. Balram Garg),
3) Mr. Balram Garg (Managing director),
4) Mr. Sachin Gupta (son of Mr. Padam Chand Gupta) and
5) Mr. Nitin Gupta (son of Mr. Padam Chand Gupta).

Corporate Guarantee :

1) M/s Trigun Infrastructure Private Limited
2) M/s Amar Garments Private Limited and
3) M/s Suruchi Promoters Private Limited
4) M/s Shivani Sarees Private Limited,
5) M/s Spectrum Townships Private Limited

6) M/s Onyx Townships Private Limited
7)M/s Decent Infotech Private Limited
8)M/s Gazal Sarees Private Limited
9)M/s Stereo Constructions Private Limited
10)M/s Sampooran Projects Private Limited

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STATEMENT OF TRADE PAYABLE, AS RESTATED
Annexure VIII

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Dues to creditors for goods	12,196.44	7,889.31	5,893.00	4,374.38	1,139.91	769.43
	12,196.44	**7,889.31**	**5,893.00**	**4,374.38**	**1,139.91**	**769.43**

STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED
Annexure IX

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Current maturities of vehicle loans	9.35	9.65	5.05	4.28	4.33	4.13
Current maturities of long term borrowings	-	-	-	18.17	16.00	-
Interest accrued but not due on borrowings	-	-	7.59	0.12	0.35	-
Interest accrued and due on borrowings	-	5.58	6.05	3.13	-	-
Application money received for allotment of securities and due for refund	-	-	6.99	258.24	180.32	42.22
Statutory dues	15.66	11.20	6.99	4.33	1.06	2.85
Employee related payables	24.03	25.51	6.09	4.83	2.26	0.86
Other accrued liabilities	70.44	94.22	42.50	26.33	22.09	9.35
Other payable		-	-	-	-	-
Advance from customers	775.11	397.90	97.00	44.78	16.79	4.49
Towards creditors for capital goods	7.49	50.41	18.85	15.14	2.22	0.32
Foreign currency payable, net	114.17	273.41	-	-	19.52	-
	1,016.25	**867.88**	**197.11**	**379.35**	**264.94**	**64.22**

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STATEMENT OF SHARE CAPITAL, AS RESTATED
Annexure X

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012		As at March 31, 2012		2011		2010		2009		2008	
	Number	Rs.	**Number**	Rs.	**Number**	Rs.	**Number**	Rs.	**Number**	Rs.	**Number**	Rs.
Authorised share capital												
Equity shares of Rs. 10 each	200,000,000	2,000.00	200,000,000	2,000.00	50,000,000	500.00	50,000,000	500.00	30,000,000	300.00	30,000,000	300.00
Issued, subscribed and fully paid up												
Equity shares of Rs. 10 each	133,966,500	1,339.67	133,966,500	1,339.67	44,655,500	446.56	40,155,500	401.56	22,155,500	221.56	22,155,500	221.56
a. Reconciliation of equity share capital												

Particulars	As at September 30, 2012		As at March 31, 2012		2011		2010		2009		2008	
	Number	Rs.	**Number**	Rs.	**Number**	Rs.	**Number**	Rs.	**Number**	Rs.	**Number**	Rs.
Balance at the beginning of the period/year	133,966,500	1,339.67	44,655,500	446.56	40,155,500	401.56	22,155,500	221.56	22,155,500	221.56	18,155,500	181.56
Add: share issued during the period/year	-	-	-	-	4,500,000	45.00	18,000,000	180.00	-	-	4,000,000	40.00
Add: bonus shares issued during the period/year	-	-	89,311,000	893.11	-	-	-		-		-	
Balance at the end of the period/year	133,966,500	1,339.67	133,966,500	1,339.67	44,655,500	446.56	40,155,500	401.56	22,155,500	221.56	22,155,500	221.56

i) During the year ended March 31, 2008, the Company issued 4,000,000 equity shares at Rs. 10 each to its promoters and relatives of promoters.

ii) During the year ended March 31, 2010, the Company issued 18,000,000 equity shares at Rs. 10 each to its promoters.

iii) During the year ended March 31, 2011, the Company issued 4,500,000 equity shares at Rs.10 each at a premium of Rs. 50 each are issued to its promoters, relatives of key managerial personnel and its promoters' group entity.

iv) During the year ended March 31, 2012, the Company alloted 89,311,000 equity shares as fully paid-up by way of bonus to its existing shareholders by capitalisation of Rs. 225 millions from securities premium account and Rs. 668.11 millions from Statement of Profit and Loss.

b) **Shareholding structure**
Shareholders holding more than 5% of the shares of the company

Particulars	As at September 30, 2012	As at March 31, 2012	2011	2010	2009	2008
Equity shares of Rs. 10 each						
Mr. Balram Garg	66.00	66.00	18.88	18.88	5.85	5.85
Mr. Padam Chand Gupta	50.37	50.37	10.54	9.17	6.70	6.70
Mr. Amar Chand Garg	-	-	9.35	7.97	5.47	5.47
Mrs. Krishna Devi	-	-	-	-	1.78	1.78
% holding of shares						
Mr. Balram Garg	49.27%	49.27%	42.28%	47.02%	26.40%	26.40%
Mr. Padam Chand Gupta	37.60%	37.60%	23.60%	22.83%	30.22%	30.22%
Mr. Amar Chand Garg	-	-	20.93%	19.85%	24.69%	24.69%
Mrs. Krishna Devi	-	-	-	-	8.03%	8.03%

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

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

d) The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) During the year ended March 31, 2008, the Company increased its authorised equity share capital from Rs. 220 million comprising of 22,000,000 equity shares of Rs. 10 each to Rs.300 million comprising of 30,000,000 equity shares of Rs. 10 each.

f) During the year ended March 31, 2010, the Company increased its authorised equity share capital from Rs. 300 million comprising of 30,000,000 equity shares of Rs. 10 each to Rs.500 million comprising of 50,000,000 equity shares of Rs. 10 each.

g) During the year ended March 31, 2012, the Company increased its authorised equity share capital from Rs. 500 million comprising of 50,000,000 equity shares of Rs. 10 each to Rs. 2,000 million comprising of 200,000,000 equity shares of Rs. 10 each.

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STATEMENT OF RESERVES AND SURPLUS, AS RESTATED
Annexure XI

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Reserves and surplus						
Securities premium account						
Balance at the beginning of the period/year	-	225.00	-	-	-	-
Add : received on issue of equity shares	-	-	225.00	-	-	-
Less : utilised for issuance of bonus shares	-	225.00	-	-	-	-
Balance at the end of the period/year (A)	**-**	**-**	**225.00**	**-**	**-**	**-**
Surplus in the Statement of Profit and Loss						
Balance at the beginning of the period/year	4,217.48	2,585.13	1,108.29	324.32	133.65	14.78
Add : transferred from statement of profit and loss	1,419.85	2,300.46	1,476.84	783.97	190.67	118.87
Less : utilised for issue of bonus shares	-	668.11	-	-	-	-
Net Surplus in the Statement of Profit and Loss(B)	**5,637.33**	**4,217.48**	**2,585.13**	**1,108.29**	**324.32**	**133.65**
Total (A+B)	**5,637.33**	**4,217.48**	**2,810.13**	**1,108.29**	**324.32**	**133.65**

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STATEMENT OF DEFERRED TAX ASSETS (NET), AS RESTATED
Annexure XII

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Deferred tax assets						
Depreciation/amortisation	4.70	2.19	-	-	-	-
Tax impact on restatement adjustment	6.07	6.07	4.68	8.29	41.59	10.78
Provision for employee benefits	2.93	2.03	0.99	-	-	-
	13.70	**10.29**	**5.67**	**8.29**	**41.59**	**10.78**
Deferred tax liabilites						
Depreciation/amortisation		-	0.24	0.43	0.80	0.66
	-	**-**	**0.24**	**0.43**	**0.80**	**0.66**
Deferred taxes assets, net	**13.70**	**10.29**	**5.43**	**7.86**	**40.79**	**10.12**

STATEMENT OF LOANS AND ADVANCES AS RESTATED
Annexure XIII

(Amounts in Rs. Millions)

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
Loans and advances												
(Unsecured, considered good)												
Capital advances	204.65	-	218.62	-	1.07	-	-	-	4.74	-	-	-
Capital advances to related parties	-	-	-	-	39.98	-	39.98	-	-	-	-	-
Security deposits:												
Related parties	14.50	-	25.40	-	25.40	-	25.40	-	-	-	-	-
Others	180.97	-	167.25	-	129.51	-	14.20	-	9.02	-	2.46	-
Loans and advances to :												
Related parties	-	-	0.62	89.68	0.62	-	0.62	-	-	-	-	-
Others	85.76	-										
Minimum alternate tax credit entitlement	210.63	-	219.70	-	25.95	-	-	-	-	-	-	-
Advance to related parties	-	-	-	-	-	-	-	-	-	-	-	-
Other loans and advances:	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	5.47	-	3.79	-	2.41	-	2.03	-	0.65	-	0.79
Balances with Government authorities	-	29.18	-	20.84	-	2.93	-	3.79	-	2.47	-	0.37
Advances to suppliers	-	830.24	-	143.75	-	103.38	-	1.98	-	1.50	-	2.26
Others	-	45.17	-	66.52	-	46.72	-	49.33	-	40.70	-	5.08
	696.51	**910.06**	**631.59**	**324.58**	**222.53**	**155.44**	**80.20**	**57.13**	**13.76**	**45.32**	**2.46**	**8.50**

STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED
Annexure XIV

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Non-current bank balances (refer annexure XVIII)	17.54	24.17	41.83	12.66	0.60	1.19
Share issue expenses	69.45	56.34	-	-	-	-
	86.99	**80.51**	**41.83**	**12.66**	**0.60**	**1.19**

STATEMENT OF CURRENT INVESTMENT, AS RESTATED
Annexure XV

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Current investment, non-trade, unquoted						
In Subsidiary Company						
Equity share of Shivani Sarees Private Limited						
(10,000 equity shares of Rs. 10 each)	-	0.10	-	-	-	-
Total		**0.10**	**-**	**-**	**-**	**-**

STATEMENT OF INVENTORIES, AS RESTATED

Annexure XVI

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Raw materials	860.95	631.71	545.50	547.71	175.42	37.79
Work-in-progress	5,410.14	4,015.96	1,965.66	766.76	359.54	336.35
Finished goods - own manufactured	7,691.65	7,076.43	2,983.76	2,467.33	1,507.91	963.45
	13,962.74	**11,724.10**	**5,494.92**	**3,781.80**	**2,042.87**	**1,337.59**

STATEMENT OF TRADE RECEIVABLE, AS RESTATED
Annexure XVII

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
(Unsecured, considered good)						
Debts outstanding for a period exceeding six months from the date they are due for payment						
From promoters and group companies of promoters	-	-	-	-	-	-
Others	29.91	69.24	32.18	12.96	15.10	14.56
Other debts						
From promoters and group companies of promoters	-	-	-	-	-	-
Others	6,995.65	6,797.21	4,215.89	2,481.76	1,610.49	222.73
	7,025.56	**6,866.45**	**4,248.07**	**2,494.72**	**1,625.59**	**237.29**

STATEMENT OF CASH AND BANK BALANCES, AS RESTATED
Annexure XVIII

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Cash and cash equivalents						
Cash in hand	647.19	31.48	105.81	12.97	13.12	3.29
Cheques in hand	8.27	2.55	2.99	0.79	0.01	-
Balances with banks in current accounts	137.27*	78.95	81.78*	393.98*	178.22	70.83
	792.73	112.98	190.58	407.74	191.35	74.12
Other bank balances						
Fixed deposits with maturity more than three months but less than 12 months		-	-	-	50.00	-
Fixed deposits with maturity of more than twelve months	17.54	24.17	41.83	12.66	0.60	1.19
Total	810.27	137.15	232.41	420.40	241.95	75.31
Less : Amounts disclosed as other non-current asset (refer Annexure XIV)	17.54	24.17	41.83	12.66	0.60	1.19
	792.73	**112.98**	**190.58**	**407.74**	**241.35**	**74.12**

* *Including debit balance of cash credit account amounting to Rs. 3.51 million, Rs. 6.89 million and Rs. 186.55 million in the period ended September 30, 2012 and year ended March 31, 2011 and March 31, 2010 respectively.*

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STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED
Annexure XIX

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Interest accrued on						
- fixed deposits	32.62	18.99	32.62	9.48	12.51	4.59
- loan to subsidiary	-	3.27	-	-	-	-
- loan to others	5.64					
Foreign currency receivable, net	-	-	72.06	61.19	-	-
Other current assets	-	-	-	1.37	-	-
	38.26	**22.26**	**104.68**	**72.04**	**12.51**	**4.59**

STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS, AS RESTATED
Annexure XX

(Amounts in Rs. Millions)

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Claims against the company not acknowledged as debt						
Service tax on rent	-	-	8.33	2.41	-	-
Value added tax	1.85	1.85	1.85	-	-	-
Legal case *	5.50	-	-	-	-	-
Guarantees	10.00	10.00	75.00	65.00	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	31.59	-	-	-	-

* *Excluding interest which is not ascertainable*

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STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED
Annexure XXI

(Amounts in Rs. Millions)

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Sale of products						
Export	6,052.22	10,024.37	6,792.39	3,299.49	2,864.56	1,150.94
Domestic	12,504.78	20,394.90	12,978.16	6,548.98	3,362.78	2,062.46
	18,557.00	**30,419.27**	**19,770.55**	**9,848.47**	**6,227.34**	**3,213.40**

STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS, AS RESTATED
Annexure XXII

(Amounts in Rs. Millions)

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Closing stock						
- Finished goods - own manufactured	7,691.65	7,076.43	2,986.91	2,015.86	1,412.57	825.69
- Work-in-progress	5,410.14	4,015.96	1,968.24	781.52	370.34	333.14
	13,101.79	11,092.39	4,955.15	2,797.38	1,782.91	1,158.83
Opening stock						
- Finished goods - own manufactured	7,076.43	2,986.91	2,015.86	1,412.57	825.69	411.65
- Work-in-progress	4,015.96	1,968.24	781.52	370.34	333.14	216.01
	11,092.39	4,955.15	2,797.38	1,782.91	1,158.83	627.66
	2,009.40	**6,137.24**	**2,157.77**	**1,014.47**	**624.08**	**531.17**

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STATEMENT OF OTHER INCOME, AS RESTATED
Annexure XXIII

(Amounts in Rs. Millions)

Particulars	For the period ended September 30,	For the year ended March 31,					Nature (recurring/ non recurring)	Related/ not related to business activity
	2012	2012	2011	2010	2009	2008		
Interest income on:								
- fixed deposit	40.02	169.45	76.88	20.14	38.03	10.69	Recurring	Related
- loan to others	3.97		-	-	-	-	Non-recurring	Not related
- loan to subsidiary	0.33	3.63	-	-	-	-	Non-recurring	Not related
Net gain on foreign currency transaction and translation	27.27	-	89.58	150.54	-	11.76	Recurring	Related
Net gain from commodity trading in futures	-	9.91	-	8.21	12.29	-	Recurring	Related
Profit on sale of investment	2.26	-	-	-	-	-	Non-recurring	Not related
Gain on sale of fixed assets	0.04	-	-	-	-	-	Non-recurring	Related
Insurance claim	-	-	-	-	20.87	-	Non-recurring	Related
Other non-operating income	2.11	2.57	1.45	2.70	1.23	0.52	Recurring	Related
	76.00	**185.56**	**167.91**	**181.59**	**72.42**	**22.97**		
Profit before tax	**1,773.55**	**2,649.96**	**1,631.18**	**765.62**	**338.97**	**149.12**		
% of other income to profit before tax	**4%**	**7%**	**10%**	**24%**	**21%**	**15%**		

Notes:
1. *All items classified under other income were earned in the normal course of business.*
2. *The classification of 'Other income' as recurring or non-recurring is based on the current operations and business activities of the Company, as determined by the management.*

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STATEMENT OF COST OF MATERIAL CONSUMED, AS RESTATED
Annexure XXIV

(Amounts in Rs. Millions)

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Raw material consumed						
Opening stock	631.71	545.78	558.75	179.77	37.38	16.79
Add : purchases during the period/year	17,756.88	31,359.48	18,326.51	9,575.76	6,021.30	3,354.30
Less : closing stock	860.95	631.71	545.78	558.75	179.77	37.38
	17,527.64	**31,273.55**	**18,339.48**	**9,196.78**	**5,878.91**	**3,333.71**

STATEMENT OF EMPLOYEE BENEFIT EXPENSE, AS RESTATED
Annexure XXV

(Amounts in Rs. Millions)

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Salaries, wages and bonus	148.67	226.05	66.83	40.60	28.23	11.54
Contribution to gratuity	2.77	3.23	0.40	-	-	-
Contribution to provident and other funds	3.71	7.28	3.92	1.74	0.99	0.40
Staff welfare expenses	7.13	12.41	5.70	1.87	1.16	0.44
	162.28	**248.97**	**76.85**	**44.21**	**30.38**	**12.38**

STATEMENT OF FINANCE COST, AS RESTATED
Annexure XXVI

(Amounts in Rs. Millions)

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Interest expenses	485.70	608.66	378.10	295.51	168.29	75.26
Interest on late deposit of advance tax	1.97	20.72	7.34	4.29	0.32	0.49
Bank charges	103.04	153.17	110.58	82.29	47.69	14.54
	590.71	**782.55**	**496.02**	**382.09**	**216.30**	**90.29**

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STATEMENT OF OTHER EXPENSES, AS RESTATED
Annexure XXVII

(Amounts in Rs. millions)

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Advertisement	92.76	264.06	122.56	61.19	63.33	34.20
Labour charges	109.49	199.97	173.75	75.56	32.52	22.15
Hallmarking charges	1.44	5.07	1.49	1.42	1.21	1.56
Packing expenses	2.41	20.88	8.47	2.67	4.22	1.66
Rent	103.76	143.82	64.64	27.52	16.27	9.55
Business promotion	38.37	21.90	5.09	7.39	5.06	5.19
Communication expenses	9.87	10.80	4.71	2.14	2.18	1.45
Postage	-	-	-	-	-	-
Repairs and maintenance-others	6.04	9.98	4.69	4.07	2.45	2.14
Discount and commission	58.55	35.75	15.44	7.19	1.83	0.89
Electricity and water	27.56	32.99	18.85	11.11	7.19	5.69
Office maintenance	8.96	9.35	2.78	0.37	0.73	0.12
Vehicle running and maintenance	2.98	5.98	4.01	2.87	1.65	1.18
Insurance	8.68	10.26	6.48	2.76	2.43	0.50
Legal and professional	7.48	19.84	12.06	12.58	6.69	11.11
Rates and taxes	1.16	7.53	2.96	1.36	1.72	1.57
Printing and stationery	5.04	9.41	0.30	1.24	1.03	0.34
Security expenses	16.58	23.81	12.95	6.15	3.62	2.01
Travelling and conveyance	7.51	15.20	8.68	3.50	3.34	2.32
Bad debts written off	-	-	1.49	-	-	-
Net loss on sale of fixed assets	-	1.88	0.36	-	-	0.01
Net loss on foreign currency translation	-	824.92	-	-	76.72	-
Net loss from commodity trading in futures	9.46	-	8.72	-	-	1.16
Donation	10.01	7.89	6.43	4.52	5.75	4.67
Preliminary expense written off	-	-	-	0.53	0.12	0.12
Miscellaneous	2.47	3.03	2.19	1.48	1.61	3.13
	530.58	**1,684.32**	**489.10**	**237.62**	**241.67**	**112.72**

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CAPITALISATION STATEMENT, AS RESTATED
Annexure XXVIII

(Amounts in Rs. millions)

Particulars	Pre issue as at September 30, 2012
Borrowings :	
Short-term	3,756.28
Long-term	26.60
Total debt	3,782.88
Shareholders' funds:	
Share capital	1,339.67
Reserves and Surplus	5,637.33
Total shareholders' funds	6,977.00
Long-term borrowings/equity ratio	0.00*
Total borrowings/equity ratio	0.54

** Rounded off to Nil.*
Notes:

1. *The long term borrowings/equity ratio have been computed as under:*
   Long term borrowings/ total shareholders Funds
2. *The total borrowings/equity ratio have been computed as under:*
   Total borrowings/ Total Shareholders Funds
3. *Short term borrowings is considered as borrowing due within 12 months from the balance sheet date.*
4. *Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of vehicle loans and long term borrowings..*
5. *The figures disclosed above are based on the Restated Summary Statements of the Company.*

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STATEMENT OF TAX SHELTER, AS RESTATED
Annexure XXIX

(Amounts in Rs. millions)

Particulars	For the period ended September 30	For the period ended September 30				
	2012	2012	2011	2010	2009	2008
Profit before tax, As Restated (A)	1780.36	2,636.11	1,662.98	918.33	189.03	130.54
Tax rate - statutory rate (B)	32.45%	20.01%	19.93%	33.99%	33.99%	33.99%
Tax as per actual rate on profits (C = A*B)	**577.64**	**527.43**	**331.44**	**312.13**	**64.25**	**44.37**
Adjustments						
Tax impact of permanent differences						
Donation not allowable as per the provisions of the Income-tax Act, 1961	2.68	-	-	1.17	1.64	1.22
Disallowance on account of delay in deposit of employees' contribution to provident fund	0.19	-	-	0.03	0.02	0.02
Disallowance on account of delay in deposit of employees' contribution to ESI	-	-	-	0.01	0.00*	0.00*
Deduction under section 80-IC of the Income-tax Act, 1961	(110.69)	-	-	(63.37)	(0.13)	-
Deduction under section 10AA of the Income-tax Act, 1961	(107.84)	-	(118.29)	(99.06)	(89.21)	(33.46)
Loss on sale of car	(0.01)	-	-	-	-	0.00*
Tax impact of restatement adjustments		-	(2.72)	(18.60)	20.16	(1.45)
Interest on tax	(1.58)	5.51	1.46	1.46	0.09	0.17
Total tax impact of permanent difference (D)	**(217.25)**	**5.51**	**(119.55)**	**(178.36)**	**(67.43)**	**(33.50)**
Tax impact of timing differences						
Disallowance under Sec. 40A(3) of the Income-tax Act, 1961	0.08	-	-	0.06	-	-
Difference between tax depreciation and book depreciation	2.55	-	-	0.37	(0.13)	(0.32)
Tax impact of restatement adjustments	-	1.41	(3.61)	(33.31)	30.81	7.77
Provision for retirement benefits	0.90	-	-	-	-	-
Total tax impact of timing difference (E)	**3.53**	**1.41**	**(3.61)**	**(32.88)**	**30.68**	**7.45**
Net adjustments F=(D+E)	**(213.72)**	**6.93**	**(123.16)**	**(211.24)**	**(36.75)**	**(26.05)**
Adjusted tax liability (C+F)	**363.92**	**534.35**	**208.28**	**100.89**	**27.50**	**18.32**
Total tax as per return of income	**363.92**	**534.35**	**208.28**	**100.89**	**27.50**	**18.32**

*****_Rounded off to Nil_

Notes:

1. The permanent/ timing differences for the year ended March 31, 2012, 2011, 2010, 2009 and 2008 have been computed based on the acknowledged copies of Income-tax returns of the respective years.

2. The permanent/ timing differences for the period ended September 30, 2012 has been derived on the basis of provisional computation of total income prepared by the Company in line with the final return of income filed for the assessment year 2012-13 and are subject to any change that may be considered at the time of filing of final return of the income for the assessment year 2013-14.

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STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED
Annexure XXX

A. List of related parties

S.no.	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
i. Subsidiary Company						
1	Shivani Sarees Private Limited (upto April 14, 2012)	Shivani Sarees Private Limited (with effect from July 9, 2011)	-	-	-	-
ii. Key management personnel						
1	Mr. Padam Chand Gupta (Chairman)	Mr. Padam Chand Gupta (Chairman)	Mr. Padam Chand Gupta (Chairman)	Mr. Padam Chand Gupta (Chairman)	Mr. Padam Chand Gupta (Chairman)	Mr. Padam Chand Gupta (Chairman)
2	Mr. Balram Garg (Managing Director)	Mr. Balram Garg (Managing Director)	Mr. Balram Garg (Managing Director)	Mr. Balram Garg (Managing Director)	Mr. Balram Garg (Managing Director)	Mr. Balram Garg (Managing Director)
3		Mr. Amar Chand Garg (Vice Chairman) (upto September 22, 2011)	Mr. Amar Chand Garg (Vice Chairman)	Mr. Amar Chand Garg (Vice Chairman)	Mr. Amar Chand Garg (Vice Chairman)	Mr. Amar Chand Garg (Vice Chairman)
4		Mr. R.K. Sharma (Executive Director) (upto September 22, 2011)	Mr. R.K. Sharma (Executive Director)	Mr. R.K. Sharma (Executive Director)	Mr. R.K. Sharma (Executive Director)	Mr. R.K. Sharma (Executive Director)
iii. Relatives of key management personnel (with whom transactions have taken place during the period/ year)						
1	Ms. Kusum Jain (Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg)	Ms. Kusum Jain (Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg)	Ms. Kusum Jain (Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg)	Ms. Kusum Jain (Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg)	Ms. Kusum Jain (Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg)	Ms. Kusum Jain (Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg)
2	Mr. Nitin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Nitin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Nitin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Nitin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Nitin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Nitin Gupta (Son of Mr. Padam Chand Gupta)
3	Mr. Sachin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Sachin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Sachin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Sachin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Sachin Gupta (Son of Mr. Padam Chand Gupta)	Mr. Sachin Gupta (Son of Mr. Padam Chand Gupta)
4	Ms. Gajal Garg (Daughter-in-law of Mr. Padam Chand Gupta)	Ms. Gajal Garg (Daughter-in-law of Mr. Padam Chand Gupta)	Ms. Gajal Garg (Daughter-in-law of Mr. Padam Chand Gupta)	Ms. Gajal Garg (Daughter-in-law of Mr. Padam Chand Gupta)	-	-
5	Ms. Santosh Sharma (Wife of Mr. R. K. Sharma)	Ms. Santosh Sharma (Wife of Mr. R. K. Sharma)	Ms. Santosh Sharma (Wife of Mr. R. K. Sharma)	Ms. Santosh Sharma (Wife of Mr. R. K. Sharma)	-	Ms. Santosh Sharma (Wife of Mr. R. K. Sharma)
6	Ms. Manju Garg (Wife of Mr. Amar Chand Garg)	Ms. Manju Garg (Wife of Mr. Amar Chand Garg)	Ms. Manju Garg (Wife of Mr. Amar Chand Garg)	Ms. Manju Garg (Wife of Mr. Amar Chand Garg)	-	-
7	Ms. Ritu Gupta (Daughter of Mr. Padam	Ms. Ritu Gupta (Daughter of Mr. Padam Chand Gupta)	-	Ms. Ritu Gupta (Daughter of Mr. Padam	Ms. Ritu Gupta (Daughter of Mr. Padam	Ms. Ritu Gupta (Daughter of Mr. Padam

S.no.	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
	Chand Gupta)			Chand Gupta)	Chand Gupta)	Chand Gupta)
8	Smt. Pooja Garg (Wife of Mr. Balram Garg)	Smt. Pooja Garg (Wife of Mr. Balram Garg)	-	-	-	Ms. Pooja Garg (Wife of Mr. Balram Garg)
9	Ms. Shivani Gupta (Daughter-in-law of Mr. Padam Chand Gupta)	Ms. Shivani Gupta (Daughter-in-law of Mr. Padam Chand Gupta)	Ms. Shivani Gupta (Daughter-in-law of Mr. Padam Chand Gupta)			
10	Smt. Payal Lila (Daughter of Mr. Amar Chand Garg)	Smt. Payal Lila (Daughter of Mr. Amar Chand Garg)	-	-	-	-
11	Smt. Krishna Devi (Wife of Mr. Padam Chand Gupta)	Smt. Krishna Devi (Wife of Mr. Padam Chand Gupta)	-	-	-	-
iv. Entities over which key management personnel are able to exercise significant influence (with whom transactions have taken place during the period/ year)						
1	P C Jewellers (Exports)	P C Jewellers (Exports)	P C Jewellers (Exports)	P C Jewellers (Exports)	P C Jewellers (Exports)	P C Jewellers (Exports)
2	P C Mangal Vasan Private Limited	P C Mangal Vasan Private Limited	P C Mangal Vasan Private Limited	P C Mangal Vasan Private Limited	P C Mangal Vasan Private Limited	P C Mangal Vasan Private Limited
3	Onyx Townships Private Limited	Onyx Townships Private Limited	Onyx Townships Private Limited	Onyx Townships Private Limited	-	-
4	Quick Developers Private Limited	Quick Developers Private Limited	Quick Developers Private Limited	-	-	-
5	-	Shivani Sarees Private Limited (upto July 8, 2011)	Shivani Sarees Private Limited	Shivani Sarees Private Limited	-	-
6	Amar Chand Garg HUF	Amar Chand Garg HUF	-	Amar Chand Garg HUF	-	-
7	Padam Chand Gupta HUF	Padam Chand Gupta HUF	-	Padam Chand Gupta HUF	-	-
8	Amar Garments Private Limited	Amar Garments Private Limited	-	-	-	-
9	Trigun Infrastructure Private Limited	Trigun Infrastructure Private Limited	-	-	-	-
10	PC Charitable Society (Regd.)	PC Charitable Society (Regd.)	-	-	-	-
11	PC Education Society (Regd.)	PC Education Society (Regd.)	-	-	-	-
12	Shivani Sachin Education Society (Regd.)	Shivani Sachin Education Society (Regd.)	-	-	-	-
13	Balram Garg, HUF	Balram Garg, HUF	-	-	-	-
14	Balkishan Das, HUF	Balkishan Das, HUF	Balkishan Das HUF	Balkishan Das HUF	Balkishan Das HUF	Balkishan Das HUF
15	Suruchi Promoters Private Limited	Suruchi Promoters Private Limited	-	Suruchi Promoters Private Limited	-	-

STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED

(Amounts in Rs. Millions)

B. Transactions undertaken/ balances outstanding in the related parties in the ordinary course of business

(i) Subsidiary Company

S.no.	Transactions during the period/year	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
1	**Rent paid**	**0.31**	**3.21**	**-**	**-**	**-**	**-**
	Shivani Sarees Private Limited	*0.31*	*3.21*	-	-	-	-
2	**Security deposit for leasing agreement**	**-**	**-**	**-**	**10.90**	**-**	**-**
	Shivani Sarees Private Limited	-	-	-	*10.90*	-	-
3	**Interest income**	**0.33**	**3.63**	**-**	**-**	**-**	**-**
	Shivani Sarees Private Limited	*0.33*	*3.63*	-	-	-	-
4	**Loan given**	**-**	**94.00**	**-**	**-**	**-**	**-**
	Shivani Sarees Private Limited	-	*94.00*				
5	**Guarantees and collaterals**	**-**	**-**	**65.00**	**65.00**	**-**	**-**
	Shivani Sarees Private Limited	-	-	*65.00*	*65.00*	-	-
6	**Investment made**	**-**	**0.10**	**-**	**-**	**-**	**-**
	Shivani Sarees Private Limited	-	*0.10*	-	-	-	-

S.no.	Balance at the period/year end	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
1	**Amount receivable**	**-**	**89.03**	**-**	**-**	**-**	**-**
	Shivani Sarees Private Limited	-	*89.03*	-	-	-	-
2	**Security Deposit**	**-**	**10.90**	**10.90**	**10.90**	**-**	**-**
	Shivani Sarees Private Limited	-	*10.90*	*10.90*	*10.90*	-	-
3	**Investment**	**-**	**0.10**	**-**	**-**	**-**	**-**
	Shivani Sarees Private Limited	-	*0.10*	-	-	-	-

(ii) Key management personnel

S.no.	Transactions during the period/year	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
1	**Rent paid**	**1.47**	**2.48**	**2.61**	**2.27**	**2.27**	**2.27**
	Mr. Padam Chand Gupta	*1.40*	*2.48*	*2.48*	*2.16*	*2.16*	*2.16*

2	**Remuneration paid**	**30.04**	**45.38**	**1.04**	**5.48**	**4.98**	**1.95**
	Mr. R K Sharma		*0.38*	*0.65*	*0.59*	*0.48*	*0.18*
	Mr. Padam Chand Gupta	*0.04*	*-*	*0.13*	*1.63*	*1.50*	*0.59*
	Mr. Balram Garg	*30.00*	*45.00*	*0.13*	*1.63*	*1.50*	*0.59*
	Mr. Amar Chand Garg		*-*	*0.13*	*1.63*	*1.50*	*0.59*
3	**Shares issued**	**-**	**775.83**	**27.50**	**180.00**	**-**	**38.00**
	Mr. Amar Chand Garg	*-*	*-*	*13.75*	*25.00*	*-*	*4.50*
	Mr. Padam Chand Gupta	*-*	*335.81*	*13.75*	*24.70*	*-*	*-*
	Mr. Balram Garg	*-*	*440.02*	*-*	*130.30*	*-*	*33.50*
4	**Share application money received**	**-**	**-**	**248.61**	**366.50**	**374.61**	**219.55**
	Mr. Amar Chand Garg	*-*	*-*	*83.80*	*26.10*	*19.85*	*4.62*
	Mr. Padam Chand Gupta	*-*	*-*	*92.21*	*30.10*	*6.85*	*10.87*
	Mr. Balram Garg	*-*	*-*	*72.60*	*310.30*	*347.91*	*203.56*
	Mr. R K Sharma	*-*	*-*	*-*	*-*	*-*	*0.50*
5	**Share application money refunded**	**-**	**-**	**225.06**	**139.53**	**282.71**	**184.62**
	Mr. Padam Chand Gupta	*-*	*-*	*10.37*	*4.85*	*6.83*	*10.77*
	Mr. Amar Chand	*-*	*-*	*-*	*-*	*19.92*	*5.42*
	Mr. Balram Garg	*-*	*-*	*212.01*	*134.32*	*255.96*	*168.43*
6	**Share preminum received**	**-**	**-**	**137.50**	**-**	**-**	**-**
	Mr. Padam Chand Gupta	*-*	*-*	*68.75*	*-*	*-*	*-*
	Mr. Amar Chand	*-*	*-*	*68.75*	*-*	*-*	*-*

S.no.	Balance at the period/year end	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
1	**Amount payable**	**1.34**	**0.11**	**0.40**	**0.11**	-	-
	Mr. Padam Chand Gupta	*1.27*	*0.11*	*0.40*	*0.11*	-	-
2	**Remuneration payable**	**0.02**	**3.49**	**0.10**	**0.75**	**0.32**	**0.33**
	Mr.R K Sharma	-	*0.02*	*0.10*	*0.09*	*0.04*	-
	Mr. Padam Chand Gupta	*0.02*	-	-	*0.22*	*0.09*	*0.10*
	Mr. Balram Garg	-	*3.47*	-	*0.22*	*0.09*	*0.10*
	Mr.Amar Chand Garg	-	-	-	*0.22*	*0.09*	*0.10*
3	**Share application money pending allotment**	-	-	-	**141.45**	**94.48**	**2.57**
	Mr. Amar Chand Garg	-	-	-	-	-	-
	Mr. R K Sharma	-	-	-	-	-	*0.50*
	Mr. Balram Garg	-	-	-	*139.41*	*93.72*	*1.77*

(iii) Relatives of key management personnel (with whom transactions have taken place during the year)

S.no.	Transactions during the period/ year	For the year ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
1	**Rent paid**	**0.38**	**0.74**	**0.75**	**0.65**	**0.65**	**0.65**
	Mr. Sachin Gupta	*0.19*	*0.37*	*0.37*	*0.32*	*0.32*	*0.32*
	Mr. Nitin Gupta	*0.19*	*0.37*	*0.37*	*0.32*	*0.32*	*0.32*
2	**Advances received back**	**3.92**	-	-	-	-	-
	Mr. Sachin Gupta	*1.98*	-	-	-	-	-
	Mr. Nitin Gupta	*1.94*	-	-	-	-	-
3	**Remuneration paid**	**3.56**	**5.47**	**0.89**	**0.14**	**0.13**	**0.16**
	Ms. Kusum Jain	*0.10*	*0.20*	*0.20*	*0.14*	*0.13*	*0.13*
	Ms. Pooja Garg	-	-	-	-	-	*0.03*
	Ms. Santosh Sharma	-	*0.16*	-	-	-	-
	Mr. Sachin Gupta	*1.58*	*2.25*	-	-	-	-
	Mr. Nitin Gupta	*1.58*	*2.34*	*0.29*	-	-	-
	Ms. Shivani Gupta	*0.15*	*0.26*	*0.20*	-	-	-
	Ms. Gazal Garg	*0.15*	*0.26*	*0.20*	-	-	-

S.no.	Transactions during the period/year	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
4	**Share issued**	-	**68.06**	**0.10**	-	-	**2.00**
	Ms. Pooja Garg	-	*2.07*	-	-	-	-
	Mr. Sachin Gupta	-	*6.61*	-	-	-	*2.00*
	Ms. Krishna Devi	-	*35.60*	-	-	-	-
	Ms. Santosh Sharma	-	*1.70*	*0.10*	-	-	-

	Ms Shivani Gupta	-	*19.60*	-	-	-	-
	Ms. Payal Lila	-	*2.48*	-	-	-	-
5	**Car purchased**	**-**	**-**	**-**	**3.00**	**-**	**-**
	Ms. Gazal Garg	-	-	-	*3.00*	-	-
6	**Purchases**	**-**	**-**	**-**	**3.39**	**-**	**-**
	Ms. Manju Garg	-	-	-	*3.39*	-	-
7	**Advance given**	**-**	**3.92**	**-**	**-**	**-**	**-**
	Mr. Sachin Gupta	-	1.98	-	-	-	-
	Mr. Nitin Gupta	-	1.94	-	-	-	-
8	**Share application money received**	**-**	**-**	**5.09**	**149.64**	**77.50**	**138.85**
	Ms. Manju Garg	-	-	*4.69*	*146.54*	-	-
	Ms. Krishna Devi	-	-	-	-	-	-
	Mr. Sachin Gupta	-	-	-	*3.10*	*77.50*	*137.85*
	Ms. Santosh Sharma	-	-	*0.40*	-	-	*1.00*
9	**Share application money refunded**	**-**	**0.80**	**5.03**	**149.69**	**77.63**	**135.93**
	Ms. Manju Garg	-	-	*4.69*	*146.54*	-	-
	Mr. Sachin Gupta	-	-	*0.09*	*3.15*	*77.63*	*135.58*
	Ms. Santosh Sharma	-	*0.80*	-	-	-	-

S.no.	Balance at the period/year end	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
1	**Amount payable**	**0.34**	**-**	**0.58**	**0.48**	**-**	**-**
	Mr. Sachin Gupta	*0.17*	-	*0.29*	*0.24*	-	-
	Mr. Nitin Gupta	*0.17*	-	*0.29*	*0.24*	-	-
2	**Remuneration payable**	**0.64**	**0.59**	**0.16**	**0.02**	**-**	**-**
	Ms. Kusum Jain	*0.02*	*0.03*	*0.03*	*0.02*	-	-
	Mr. Nitin Gupta	*0.28*	*0.24*	*0.05*	-	-	-
	Ms. Shivani Gupta	*0.03*	*0.04*	*0.04*	-	-	-
	Ms. Gazal Garg	*0.03*	*0.04*	*0.04*	-	-	-
	Mr. Sachin Gupta	*0.28*	*0.24*	-	-	-	-
3	**Amount receivable**	**-**	**3.92**	**-**	**-**	**-**	**-**
	Mr. Nitin Gupta	-	*1.94*	-	-	-	-
	Mr. Sachin Gupta	-	*1.98*	-	-	-	-
4	**Share application money pending allotment**	**-**	**-**	**0.80**	**1.39**	**1.39**	**1.52**
	Ms. Santosh Sharma	-	-	*0.80*	*1.00*	*1.00*	*1.00*

	Mr. Sachin Gupta	-	-	-	*0.09*	*0.14*	*0.27*
	Ms. Ritu Gupta	-	-	-	*0.25*	*0.25*	*0.25*
	Ms. Kusum Jain	-	-	-	-	-	-

(iv) Entities over which key management personnel are able to exercise significant influence

S.no.	Transactions during the period/year	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
1	**Sale of goods**	**-**	**377.95**	**779.08**	**594.08**	**148.15**	**80.20**
	PC Jewellers (Exports)	-	*377.95*	*779.08*	*594.08*	*148.15*	*80.20*
2	**Purchase of goods**	**-**	**183.88**	-	-	-	-
	PC Jewellers (Exports)	-	*183.88*	-	-	-	-
3	**Rent paid**	**1.35**	**2.65**	**0.20**	-	-	-
	Onyx Townships Private Limited	*1.35*	*2.65*	*0.20*	-	-	-

S.no.	Transactions during the period/year	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
4	**Purchase of uniform**		-	**0.17**	**0.10**	**0.16**	**0.03**
	PC Mangal Vasan Private Limited		-	*0.17*	*0.10*	*0.16*	*0.03*
5	**Security deposit for leasing agreement**		-	-	**14.50**	-	-
	Onyx Townships Private Limited		-	-	*14.50*	-	-
6	**Share issued**		**49.22**	**16.65**	-	-	-
	Mr. Amar Chand Garg (HUF)		*8.40*	-	-	-	-
	Mr. Padam Chand Gupta (HUF)		*7.23*	-	-	-	-
	Quick Developers Private Limited		*33.30*	*16.65*	-	-	-
	Balram Garg HUF		*0.28*				
7	**Other income**		-	-	**0.65**	-	**0.10**
	PC Jewellers (Exports)		-	-	*0.65*	-	*0.10*
8	**Purchases**		-	-	**4.49**	-	-
	Amar Chand Garg HUF		-	-	*1.27*	-	-
	Padam Chand Gupta HUF		-	-	*3.22*	-	-
9	**Share application money received**		-	**100.00**	**105.00**	-	**1.50**
	Mr. Amar Chand Garg (HUF)		-	-	-	-	-
	Mr. Padam Chand Gupta (HUF)		-	-	-	-	-
	Quick Developers Private Limited		-	*100.00*	-	-	-
	Suruchi Promoters Private Limited		-	-	*105.00*	-	-
10	**Share application money refunded**		**0.19**	**0.23**	**104.77**	-	-
	Balkishan Das HUF		*0.09*	-	-	-	-
	Quick Developers Private Limited		*0.10*	-	-	-	-

	Suruchi Promoters Prvate Limited		-	*0.23*	*104.77*	-	-
11	**Advance given**				**40.60**		
	P C Jewellers (Exports)				*39.98*		
	Onyx Townships Private Limited				*0.62*		
12	**Purchase of Property**		**39.98**	-	-	-	-
	P C Jewellers (Exports)		*39.98*	-	-	-	-
13	**Share premium received**		-	**83.25**	-	-	-
	Quick Developers Private Limited		-	*83.25*	-	-	-

S.no.	Balance at the period/year end	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
1	**Amount payable**	**2.57**	**2.57**	**1.38**	**1.50**	-	-
	PC Mangal Vasan Private Limited	*1.38*	*1.38*	*1.38*	*1.22*	-	-
	P C Jewellers (Exports)	*1.19*	*1.19*	-	-	-	-
2	**Amount receivable**	-	-	-	-	-	-
	P C Jewellers (Exports)	-	-	-	-	-	-
3	**Share application money pending allotment**	-	-	**0.19**	**0.32**	**0.09**	**0.09**
	Quick Developers Private Limited	-	-	*0.10*	-	-	-
	Balkishan Das HUF	-	-	*0.09*	*0.09*	*0.09*	*0.09*
	Suruchi Promoters Private Limited	-	-	-	*0.23*	-	-
4	**Advance given**	-	**0.62**	**40.60**	**40.60**	-	-
	P C Jewellers (Exports)	-	-	*39.98*	*39.98*	-	-
	Onyx Townships Private Limited	-	*0.62*	*0.62*	*0.62*	-	-
4	**Security Deposit**	**14.50**	**14.50**	**14.50**	**14.50**	-	-
	Onyx Townships Private Limited	*14.50*	*14.50*	*14.50*	*14.50*	-	-

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SUMMARY OF ACCOUNTING RATIOS, AS RESTATED
Annexure XXXI

(Amounts in Rs. millions)

S. no.	PARTICULARS	For the period ended September 30,	For the years ended March 31,				
		2012	2012	2011	2010	2009	2008
A	Net Worth	6,977.00	5,557.15	3,256.69	1,520.35	546.02	355.21
B	Restated profit after tax	1,419.85	2,300.46	1,476.84	783.97	190.67	118.87
	Weighted average number of equity shares outstanding during the period/year						
C	For Basic earning per share	133,966,500	133,966,500	42,239,062	32,314,404	22,155,500	18,155,500
D	For Diluted earning per share	133,966,500	133,966,500	42,937,686	59,188,704	40,201,351	22,377,612
E	For Restated basic earning per share	133,966,500	133,966,500	131,550,062	121,625,404	111,466,500	107,466,500
F	For Restated diluted earning per share	133,966,500	133,966,500	132,248,686	148,499,704	129,512,351	111,688,612
	Earnings per share Rs. 10 each						
G	Basic earning per share **(B/C)**	10.60	17.17	34.96	24.26	8.61	6.55
H	Diluted earning per share **(B/D)**	10.60	17.17	34.39	13.25	4.74	5.31
I	Restated basic earning per share**(B/E)**	10.60	17.17	11.23	6.45	1.71	1.11
J	Restated diluted earning per share **(B/F)**	10.60	17.17	11.17	5.28	1.47	1.06
K	Return on net worth **(B/A)**	0.20	0.41	0.45	0.52	0.35	0.33
L	Number of shares outstanding at the end of the period/ year	133,966,500	133,966,500	44,655,500	40,155,500	22,155,500	22,155,500
M	Net assets value per share of Rs. 10 each	52.08	41.48	72.93	37.86	24.65	16.03
N	Face value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00

Notes :-

1) **The ratio has been computed as below :**

Earnings per share-Basic and Diluted = $\dfrac{\text{Net profit after tax as restated}}{\text{Weighted average number of Equity shares outstanding during the period/year}}$

Net asset value per share(Rs.) = $\dfrac{\text{Net worth as restated as at year end}}{\text{Number of equity shares as at period/ year end}}$

$$\text{Return on net worth (\%)} = \frac{\text{Net profit after tax as restated}}{\text{Net worth as restated as at period/ year end}}$$

2) Earning per shares (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006.

3) On September 16, 2011, the Company issued two bonus shares for each share held by the shareholders on record as on September 16, 2011 by utilizing its securities premium balance and accumulated profits. In accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006, the number of equity shares outstanding during the year has been restated to reflect the bonus issue for all years presented.

4) The figures disclosed above are based on the Restated Summary Statements of the Company.

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Auditors' report on the consolidated financial information of PC Jeweller Limited (formerly known as PC Jeweller Private Limited), as restated, for the period ended September 30, 2012 and year ended March 31, 2012 in relation to the prospectus.

To,

The Board of Directors
PC Jeweller Limited (formerly known as PC Jeweller Private Limited)
2708, Bank Street,
Karol Bagh
New Delhi 110 005
India

Dear Sirs,

We have examined the restated consolidated financial information of PC Jeweller Limited (formerly known as PC Jeweller Private Limited) (the 'Company') and its erstwhile subsidiary, Shivani Sarees Private Limited ('SSPL') (hereinafter collectively referred as 'the Group') annexed to this report for the purpose of inclusion in the offer document. This consolidated financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the offer document being issued by the Company in connection with the proposed Initial Public Offering ('IPO') for the issue of 45,133,500 equity shares having a face value of ` 10 each at an issue price to be arrived at by a book building process (referred to as 'the Issue').

This consolidated financial information has been prepared in accordance with the requirements of:

iii) Paragraph B of Part II of Schedule II to the Companies Act, 1956 (the 'Act');

iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time issued by the Securities and Exchange Board of India ('SEBI') in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments.

This consolidated financial information has been extracted by the management from the audited financial statements of the Group for the period ended September 30, 2012 and the year ended March 31, 2012.

We have examined such consolidated financial information in accordance with the requirements of:

iii) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and

iv) The terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company relating to IPO.

A. Consolidated financial information as per the Restated Summary Statements of the Group:

9. We have examined the attached Consolidated Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Group as at September 30, 2012 and March 31, 2012, the attached Consolidated Summary Statement of Profits and Losses, As Restated (Refer Annexure II) and also the Consolidated Statement of Cash flows, As Restated (Refer Annexure III) for the period ended September 30, 2012 and year ended March 31, 2012 collectively referred to as 'Consolidated Restated Summary Statements of the Group'. These Consolidated Restated Summary Statements of the Group have been arrived at after making such adjustments and regroupings to the audited financial statements

of the Group which are appropriate and are more fully described in the Statement of Notes to Consolidated Restated Summary Statement of the Group in Annexure IV.

10. We did not jointly audit the financial statements of SSPL, whose financial statements reflect total assets (after eliminating intra-group transactions) of ` 95.11 million as at March 31, 2012 and net cash flows aggregating to ` 0.79 million for the year then ended. These financial statements and other financial information have been audited by Sharad Jain Associates (‘SJA’) whose reports have been furnished to Walker, Chandiok & Co by the management and their opinion in respect thereof is based solely on the reports of SJA.

11. Based on our examination of these Consolidated Restated Summary Statements of the Group, we state that:

    f) The Consolidated Restated Summary Statements of the Group have to be read in conjunction with the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV;

    g) The Consolidated Restated Summary Statements of the Group have been restated with retrospective effect to reflect the accounting policies being adopted by the Group as at September 30, 2012, as stated in the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV;

    h) The Consolidated Restated Profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the period/year to which they relate as described in the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV;

    i) There are no qualifications in the auditors’ reports for the period ended September 30, 2012 and the year ended March 31, 2012 which would require adjustment in the Consolidated Restated Summary Statements of the Group; and

    j) There are no extra-ordinary items which need to be disclosed separately in the Consolidated Restated Summary Statements of the Group.

B. Consolidated other financial information:

12. We have examined the following ‘Consolidated other financial information’ in respect of the period ended September 30, 2012 and the year ended March 31, 2012 of the Group, proposed to be included in the offer document, as prepared by the management and approved by the Board of Directors and annexed to this report:

    (i) Statement of Notes to Consolidated Restated Summary Statements of the Group (Annexure IV);
    (ii) Consolidated Statement of Long Term Borrowings, As Restated (Annexure V);
    (iii) Consolidated Statement of Provisions, As Restated (Annexure VI);
    (iv) Consolidated Statement of Short Term Borrowings, As Restated (Annexure VII);
    (v) Consolidated Statement of Trade Payable, As Restated (Annexure VIII);
    (vi) Consolidated Statement of Other Current Liabilities, As Restated (Annexure IX);
    (vii) Consolidated Statement of Share Capital, As Restated (Annexure X);
    (viii) Consolidated Statement of Reserves and Surplus, As Restated (Annexure XI);
    (ix) Consolidated Statement of Deferred Tax Assets, As Restated (Annexure XII);
    (x) Consolidated Statement of Loans and Advances, As Restated (Annexure XIII);
    (xi) Consolidated Statement of Other Non Current Assets, As Restated (Annexure XIV);
    (xii) Consolidated Statement of Inventories, As Restated (Annexure XV);
    (xiii) Consolidated Statement of Trade Receivable, As Restated (Annexure XVI);

(xiv) Consolidated Statement of Cash and Bank Balances, As Restated (Annexure XVII);
(xv) Consolidated Statement of Other Current Assets, As Restated (Annexure XVIII);
(xvi) Consolidated Statement of Contingent Liabilities and Commitments, As Restated (Annexure XIX);
(xvii) Consolidated Statement of Revenue from Operations, As Restated (Annexure XX);
(xviii) Consolidated Statement of Changes in Inventories of Finished Goods and Work in progress, As Restated (Annexure XXI)
(xix) Consolidated Statement of Other Income, As Restated (Annexure XXII);
(xx) Consolidated Statement of Cost of Material Consumed, As Restated (Annexure XXIII);
(xxi) Consolidated Statement of Employee Benefit Expenses, As Restated (Annexure XXIV);
(xxii) Consolidated Statement of Finance Cost, As Restated (Annexure XXV);
(xxiii) Consolidated Statement of Other Expenses, As Restated (Annexure XXVI);
(xxiv) Consolidated Capitalisation Statement, As Restated (Annexure XXVII);
(xxv) Consolidated Statement of Related Parties Transactions, As Restated (Annexure XXVIII)
(xxvi) Summary of Consolidated Accounting Ratios, As Restated (Annexure XXIX)

13. The Company did not declare any dividend on equity shares for the period ended September 30, 2012 and the year ended March 31, 2012.

14. In our opinion, the 'Financial information as per the Consolidated Restated Summary Statements of the Group' and 'Consolidated other financial information' mentioned above for the period ended September 30, 2012 and the year ended March 31, 2012 have been prepared in accordance with Part II of Schedule II to the Act and the relevant provisions of the SEBI Regulations.

15. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by Sharad Jain Associates or jointly by us nor should it be construed as a new opinion on any of the financial statements referred to therein.

16. This report is intended solely for your information and for inclusion in the offer document in connection with the IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

per **Sharad Jain**
Partner
Membership No. 83837

Place: New Delhi
Date: November 3, 2012

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

per **B.P. Singh**
Partner
Membership No. 70116

Place: New Delhi
Date: November 3, 2012

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
Annexure I

(Amounts in Rs. Millions)

Particulars	Annexure	As at September 30, 2012	As at March 31, 2012
A. Non-current assets			
Goodwill on consolidation		-	0.08
Fixed assets			
Tangible assets		638.25	657.49
Intangible assets under development		9.79	9.79
Deferred tax assets	**XII**	13.70	10.29
Long term loans and advances	**XIII**	696.51	620.70
Other non current asset	**XIV**	86.99	80.56
Total non-current assets		1,445.24	1,378.91
B. Current assets			
Inventories	**XV**	13,962.74	11,724.10
Trade receivable	**XVI**	7,025.56	6,866.45
Cash and bank balances	**XVII**	792.73	114.04
Short term loans and advances	**XIII**	910.06	241.04
Other current assets	**XVIII**	38.26	19.00
Total current assets		22,729.35	18,964.63
C. Non-current liabilities			
Long term borrowings	**V**	17.25	21.91
Long term provisions	**VI**	8.61	6.09
Total non-current liabilities		25.86	28.00
D. Current liabilities			
Short term borrowings	**VII**	3,756.28	5,751.16
Trade payables	**VIII**	12,196.44	7,889.31
Other current liabilities	**IX**	1,016.25	866.64
Short term provisions	**VI**	202.76	254.89
Total current liabilities		17,171.73	14,762.00
Net worth(A+B-C-D)		**6,977.00**	**5,553.54**
Represented by:			
E. Share capital	**X**	1,339.67	1,339.67
F. Reserves and surplus	**XI**	5,637.33	4,213.87
Net worth(E+F)		**6,977.00**	**5,553.54**

Note: The above statement should be read with the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV.

This is the Consolidated Summary Statement of Assets and Liabilities, As Restated, referred to in our report of even date

for **Sharad Jain Associates**
Chartered Accountants

for **Walker, Chandiok & Co**
Chartered Accountants

per **Sharad Jain**
Partner

per **B. P. Singh**
Partner

Place: New Delhi
Date: November 3, 2012

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED
Annexure II

(Amounts in Rs. Millions)

Particulars	Annexure	For the period ended September 30, 2012	For the year ended March 31, 2012
Revenue			
Revenue from operations	**XX**	18,557.00	30,419.27
Changes in inventories of finished goods and work-in-progress	**XXI**	2,009.40	6,137.24
Other income	**XXII**	79.71	181.93
Total		**20,646.11**	**36,738.44**
Expenses			
Cost of materials consumed	**XXIII**	17,527.64	31,273.55
Purchases of traded goods		3.26	36.82
Employee benefit expenses	**XXIV**	162.28	248.97
Finance costs	**XXV**	590.73	782.56
Depreciation and amortisation expense		47.85	68.78
Goodwill on consolidation impaired		0.08	-
Other expenses	**XXVI**	530.31	1,681.41
Prior period expenses		6.81	-
Total		**18,868.96**	**34,092.09**
Profit before tax		**1,777.15**	**2,646.35**
Tax expense			
Current tax		363.92	534.35
Less : Minimum Alternate Tax credit entitlement		-	(193.76)
Tax earlier years		-	(0.07)
Deferred tax		(3.41)	(3.47)
Profit for the year after tax		**1,416.64**	**2,309.30**
Adjustments		**6.81**	**(13.86)**
(Refer Note 5 of Annexure IV)			
Tax impact of adjustments			
Income-taxes		-	1.41
(Refer Note 5 of Annexure IV)			
Net impact of adjustments on profit		**6.81**	**(12.45)**
Net profit as restated		**1,423.45**	**2,296.85**

Note:
The above statement should be read with the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV.

This is the Consolidated Summary Statement of Profit and Loss, As Restated, referred to in our report of even date.

for **Sharad Jain Associates**
Chartered Accountants

for **Walker, Chandiok & Co**
Chartered Accountants

per **Sharad Jain**
Partner

per **B. P. Singh**
Partner

Place: New Delhi
Date: November 3, 2012

CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED
Annexure III

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax, as restated	**1,783.96**	**2,632.49**
Adjustments for:		
Depreciation and amortization	47.85	67.22
Goodwill on consolidation impaired	0.08	-
Unrealised foreign exchange (gain)/loss	(160.57)	272.47
Loss on sale of fixed assets	-	1.88
Interest income on fixed deposit	(40.02)	(169.45)
Interest income on loan given to others	(3.97)	-
Profit on disposal of investment in subsidiary	(6.30)	-
Gain on disposal of fixed assets	(0.04)	-
Interest expense	485.72	650.92
Employee benefits	2.77	3.23
Operating profit before working capital changes	**2,109.48**	**3,458.76**
Adjustments for:		
Increase in inventories	(2,238.63)	(6,229.18)
Increase in trade receivable	(258.54)	(2,449.23)
Increase in loan and advances	(861.36)	(571.23)
(Increase)/decrease in other assets	(1.56)	130.48
Increase in trade payable	4,681.30	1,842.07
Increase in other current liabilities	165.66	628.94
Cash generated from/(used in) operating activities	**3,596.35**	**(3,189.39)**
Direct taxes paid (net)	411.25	161.57
Net cash generated from/(used in) operating activities	**3,185.10**	**(3,350.96)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets including capital advances and movement in intangible assets under development	(121.43)	(500.24)
Proceeds from sale of fixed assets	1.40	3.26
Proceeds from disposal of subsidiary, net	0.69	-
Investment in a subsidiary	-	(0.10)
Loan given to subsidiary	-	(3.92)
Interest received	24.73	183.08
Movement in fixed deposits	6.67	17.67
Net cash used in investing activities	**(87.94)**	**(300.25)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(4.95)	(48.90)
Proceeds from long term borrowings	-	19.06
Net Proceeds from short term borrowings	(1,909.11)	4,307.83
Share application money, net	-	(15.49)
Share issue expenses (to the extent not written off)	(13.10)	(56.34)
Interest paid	(491.30)	(632.06)
Net cash (used in)/generated from financing activities	**(2,418.46)**	**3,574.10**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**678.70**	**(77.11)**
Cash acquired on acquisition of subsidiary	-	0.56
Opening cash and cash equivalents	**114.03**	190.58
Closing cash and cash equivalents*	**792.73**	114.03
	678.70	**(77.11)**
*** Reconciliation of cash and cash equivalents**		
Cash in hand	647.19	31.60
Cheques in hand	8.27	2.55

Particulars	As at September 30, 2012	As at March 31, 2012
Balance with scheduled banks in :		
Current account	137.27	79.89
Fixed deposit account	17.54	24.22
	810.27	**138.25**
Less : Fixed deposit not considered as cash equivalents	17.54	24.22
	792.73	**114.03**

Note:
The above statement should be read with the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV.

This is the Consolidated Statement of Cash flows, As Restated, referred to in our report of even date.

for **Sharad Jain Associates**
Chartered Accountants

for **Walker, Chandiok & Co**
Chartered Accountants

per **Sharad Jain**
Partner

per **B. P. Singh**
Partner

Place: New Delhi
Date: November 3, 2012

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ANNEXURE IV : STATEMENT OF NOTES TO CONSOLIDATED RESTATED SUMMARY STATEMENTS OF THE GROUP

1. Background

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

On July 9, 2011, the Parent Company acquired 10,000 equity shares (representing 100% of the equity share capital) of Shivani Sarees Private Limited ('SSPL' or the 'Subsidiary'). Further on April 14, 2012 the Parent Company disposed off the aforementioned 10,000 equity shares of SSPL to third parties at a consideration of Rs. 2,360,000.

2. Basis of preparation

The Consolidated Restated Summary Statements include the financial statements of the Parent Company and its subsidiary (hereinafter collectively referred as "the Group").

The 'Consolidated Summary Statement of the Assets and Liabilities, As Restated' of the Group as at September 30, 2012 and March 31, 2012, the 'Consolidated Summary Statement of Profits and Losses, As Restated' and the 'Consolidated Summary Statement of Cash Flows, As Restated' for the period/year ended September 30, 2012 and March 31, 2012 (collectively referred to as 'Consolidated Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

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

The Restated Summary Statements of the Group have been prepared to comply in all material respects with the requirements of Part II of Schedule II to the Act and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

3. Principles of consolidation

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

i) The Consolidated Restated Summary statements normally includes Consolidated Summary Statement of the Assets and Liabilities, As Restated, Consolidated Summary Statement of Profit and Loss, As Restated, Consolidated Summary Statement of Cash Flows, As Restated and Notes to Consolidated Summary Statement of Assets and Liabilities and Consolidated Summary Statement of Profit and Loss, As Restated and other statements and explanatory material that form an integral part thereof. The Consolidated Restated Summary Statements are presented, to the extent possible, in the same format as adapted by the Parent Company for its standalone financial statements.

ii) The Consolidated Restated Summary Statements include the financial statements of the Company and its subsidiary which is more than 50 percent owned or controlled as at September 30, 2012.

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

iv) Notes to Consolidated Summary Statement of Assets and Liabilities and Consolidated Summary Statement of Profit and Loss, As Restated represent notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Restated Summary Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements has not been disclosed in the Consolidated Restated Summary Statements.

4. Summary of Significant Accounting Policies

i) The Group has prepared and presented the consolidated financial statements per the revised schedule VI notified under the Companies Act 1956. This does not impact the recognition and measurement principles followed for preparation of the consolidated financial statements. However, it has significant impact on presentation and disclosures made in the Consolidated Restated Summary Statements.

a) Use of estimates

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

b) Goodwill

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

c) Fixed assets

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

d) Depreciation and amortisation

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

Description	Rates of depreciation
Building	10.00 %
Plant and machinery	13.91 %
Office equipment	13.91 %
Computers	40.00 %
Furniture and fixtures	18.10 %
Vehicles	25.89 %

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

e) Valuation of inventories

Inventories are valued as follows:

Raw material:
Lower of cost or net realizable value. Cost is determined on a first in first out basis.

Work-in-progress:
At cost upto estimated stage of completion.

Finished goods:
Lower of cost or net realizable value. Cost includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

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

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

Alloys and consumables are charged to the Consolidated Summary Statement of Profit and Loss, As Restated.

f) Revenue recognition

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

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

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

g) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the period are recognised in the Consolidated Summary Statement of Profits and Losses, As Restated.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the period. Differences arising therefrom are recognised in the Consolidated Summary Statement of Profits and Losses, As Restated.

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

h) Derivative instruments

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

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

i) Employee benefits

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

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

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

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

j) Impairment of assets

i) Goodwill

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

ii) Other assets

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

k) Taxation

Tax expense comprises of current tax and deferred tax.

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

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

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

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

Minimum alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Parent Company will pay normal income-tax during the specified period. In the period in which MAT credit

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

l) Leases

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

iv) Assets acquired on lease where the Parent Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

m) Share issue expenses

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

n) Earnings per share

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

For the purpose of calculating diluted earnings per share, the restated 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.

o) Provisions and Contingencies

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

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

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

p) Cash and cash equivalents

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

5. Below mentioned is the summary of results of adjustments made in the audited accounts of the Group and its impact on profits and losses and assets and liabilities.

ANNEXURE IV : STATEMENT OF NOTES TO CONSOLIDATED RESTATED SUMMARY STATEMENTS OF THE GROUP

(Amounts in Rs. Millions)

S.no.	Particulars	For the period ended September 30, 2012	For the year ended March 31, 2012
a)	**Depreciation and amortization**		
	(Refer Note 6(a) of Annexure IV)		
	Prior to restatement adjustment entry	47.85	68.78
	Restatement adjustment -Dr/ (Cr)	-	(1.56)
	As Restated	**47.85**	**67.22**
b)	**Cost of material consumed**		
	(Refer Note 6(b) and 7(a) of Annexure IV)		
	Prior to restatement adjustment entry	17,527.64	31,273.55
	Restatement adjustment -Dr/ (Cr)	-	(0.31)
	As Restated	**17,527.64**	**31,273.24**
c)	**Changes in inventories of finished goods and work in progress**		
	(Refer Note 6(b) of Annexure IV)		
	Prior to restatement adjustment entr	2,009.40	6,137.24
	Restatement adjustment –(Dr)/Cr	-	5.72
	As Restated	**2,009.40**	**6,142.96**
d)	**Gain/(loss) on foreign currency translation**		
	(Refer Note 6(d) of Annexure IV)		
	Prior to restatement adjustment entry	27.27	(824.92)
	Restatement adjustment:		
	Restatement of monetary assets and liabilities - (Dr)/ Cr	-	0.16
	As Restated	**27.27**	**(824.76)**
e)	**Tax earlier years**		
	(Refer Note 6(c) of Annexure IV)		
	Prior to restatement adjustment entry	-	(0.07)
	Restatement adjustment -Dr/ (Cr)	-	0.07
	As Restated	-	-
f)	**Interest expense**		
	(Refer Note 6(b) of Annexure IV)		
	Prior to restatement adjustment entry	485.72	608.67
	Restatement adjustment -Dr/ (Cr)	-	14.73
	As Restated	**485.72**	**623.40**

(Amounts in Rs. Millions)

S. no.	Particulars	For the period ended September 30,2012	For the year ended March 31, 2012
g)	**Prior period expenses**		
	(Refer Note 6(e) of Annexure IV)		
	Prior to restatement adjustment entry	6.81	-
	Restatement adjustment -Dr/ (Cr)	(6.81)	-
	As Restated	**-**	**-**
h)	**Interest on late deposit of advance tax**		
	(Refer Note 6(e) of Annexure IV)		
	Prior to restatement adjustment entry	1.97	20.72
	Restatement adjustment -Dr/ (Cr)	-	6.81
	As Restated	**1.97**	**27.53**
	Total impact of restatement adjustments	**6.81**	**(13.86)**
	Tax impact of adjustment	-	1.41
	Net impact of adjustments on profit	**6.81**	**(12.45)**

6. Restatement adjustments

a) During the previous years, the Parent Company had revised its estimate of useful life of leasehold improvements. The impact of the change in the estimated useful life of lease hold improvements has been adjusted in the relevant years with retrospective effect. Accordingly, for the purpose of Consolidated Restated Summary Statements, the accumulated depreciation and net block have been adjusted. Further, the opening retained earnings as at April 1, 2011 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2011.

b) During the previous years, the Parent Company had recorded the interest charge on the purchase of Gold from certain nominated agencies on cash basis at the time of making the payment as against apportioning the same over the period. Accordingly, for the purpose of Consolidated Restated Summary Statements, effect of this restatement has been adjusted in opening retained earnings.

c) During the year ended March 31, 2012 , certain taxes have been accounted for pertaining to earlier years based on intimations/ orders received from Income-tax authorities. For the purpose of the Consolidated Restated Summary Statements, effect of this restatement has been adjusted in opening retained earnings.

d) During the previous years, monetary assets and liabilities denominated in foreign currency were not appropriately restated as at the financial year date as against the requirements of the notified Accounting Standard (‘AS’) – 11 ‘The effects of changes in foreign exchange rates’. Accordingly, for the purposes of Consolidated Restated Summary Statements, the carrying amount of such monetary assets and liabilities denominated in foreign currency have been restated as at each financial year date and corresponding impact of foreign exchange fluctuation has been recorded in Consolidated Summary Statement of Profits and Losses, As Restated of the respective years. Further, the opening retained earnings as at April 1, 2011 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2011.

e) During the period ended September 30, 2012, the interest paid on late deposit of advance tax pertaining to earlier years has been appropriately adjusted to the respective year to which it relates.

7. Material reclassifications/adjustments

Appropriate reclassifications/ adjustments have been made in the Consolidated Summary Statements of Assets and Liabilities, As Restated, Consolidated Summary Statement of Profits and Losses, As Restated and Consolidated Statement of Cash Flows, As Restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended September 30, 2012 and the requirements of the SEBI Regulations. Material reclassifications/ adjustments made are as under:

i. During the previous years, the interest charged on the purchase of Gold from certain nominated agencies was clubbed under the head Purchases which has been reclassified under the head Finance costs in the ‘Consolidated Summary Statement of Profits and Losses, As Restated’.

8. Non-disclosure items

The management is unable to ascertain the sales value of the traded goods and hence the same have been included in Sales in the Consolidated Statement of Revenue from operations, As Restated in the Consolidated Summary Statement of Profit and Loss, As Restated.

9. Tax impact of adjustments

The Consolidated Restated Summary Statements have been adjusted for the tax impact of the restatement adjustments identified above.

10. Segment reporting

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

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

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

ANNEXURE IV : STATEMENT OF NOTES TO CONSOLIDATED RESTATED SUMMARY STATEMENTS OF THE GROUP

(Amounts in Rs. Millions)

Information about Business Segment - Primary for the period ended September 30, 2012 and year ended March 31, 2012

Particulars	Export		Domestic		Others		Total before elimination		Elimination		Total	
	September 30, 2012	March 31, 2012	September 30, 2012	March 31, 2012	September 30, 2012	March 31, 2012	September 30, 2012	March 31, 2012	September 30, 2012	March 31, 2012	September 30, 2012	March 31, 2012
Revenue												
Sale of goods	6,052.22	10,024.37	12,504.78	20,394.90	-	-	18,557.00	30,419.27	-	-	18,557.00	30,419.27
Total revenue	**6,052.22**	**10,024.37**	**12,504.78**	**20,394.90**	**-**	**-**	**18,557.00**	**30,419.27**	**-**	**-**	**18,557.00**	**30,419.27**
Results												
Segment result	**621.87**	777.30	1,211.96	2,015.41	(0.36)	(1.95)	1,833.47	2,790.76	(3.96)	(1.65)	1,837.43	2,789.11
Less :Unallocated expenses							53.47	156.55			53.47	156.55
Profit before tax	**621.87**	**777.30**	**1,211.96**	**2,015.41**	**(0.36)**	**(1.95)**	**1,780.00**	**2,634.21**			**1,783.96**	**2,632.56**
Less: Tax expense							360.51	335.71			360.51	335.71
Profit after tax	**621.87**	**777.30**	**1,211.96**	**2,015.41**	**(0.36)**	**(1.95)**	**1,419.49**	**2,298.50**	**(3.96)**	**(1.65)**	**1,423.45**	**2,296.85**
Assets												
Segment assets	**6,084.96**	6,225.53	17,780.42	13,534.85	-	98.66	23,865.38	19,859.04	-	103.49	23,865.38	19,755.55
Unallocated assets							309.21	587.99			309.21	587.99
Total assets	**6,084.96**	**6,225.53**	**17,780.42**	**13,534.85**	**-**	**98.66**	**24,174.59**	**20,447.03**	**-**	**103.49**	**24,174.59**	**20,343.54**
Liabilities												
Segment liabilities	**5,463.04**	5,442.21	11,523.17	9,088.05	-	100.57	16,986.21	14,630.83	-	101.81	16,986.21	14,529.02
Unallocated liabilities							211.38	260.98			211.38	260.98
Total liabilities	**5,463.04**	**5,442.21**	**11,523.17**	**9,088.05**	**-**	**100.57**	**17,197.59**	**14,891.81**	**-**	**101.81**	**17,197.59**	**14,790.00**
Capital expenditure	0.07	4.57	121.36	491.64	-	4.40	121.43	500.61	-	1.67	121.43	498.94
Unallocated capital expenditure							-	1.30			-	1.30
Total capital expenditure	**0.07**	**4.57**	**121.36**	**491.64**	**-**	**4.40**	**121.43**	**501.91**	**-**	**1.67**	**121.43**	**500.24**
Depreciation and amortisation	2.25	4.44	45.31	59.90	0.29	2.88	47.85	67.22	-	-	47.85	67.22
Unallocated depreciation							-	-			-	-
Total depreciation	**2.25**	**4.44**	**45.31**	**59.90**	**0.29**	**2.88**	**47.85**	**67.22**	**-**	**-**	**47.85**	**67.22**
Non cash expenditures other than depreciation (net)												
Gratuity											2.77	3.23
Unrealised foreign exchange (loss)/ gain	223.89	137.02	(63.32)	(409.49)	-	-	160.57	(272.48)			160.57	(272.47)

Notes:

1. Segment assets include capital work in progress inclusive of capital advances.

2. Capital expenditure pertains to additions made to fixed assets during the year.

11. As at September 30, 2012 and March 31, 2012, the Group had sundry creditors amounting to Rs. 1,071.85 millions and Rs. 635.27 millions against fixed deposits of the corresponding amounts. The fixed deposits have been netted off from the above mentioned sundry creditors in the Consolidated Restated Summary statements.

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

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

iv. The following are the outstanding forward contracts/derivative contracts in respect of foreign currency loans and certain forecast transactions:

Description	**As at September 30, 2012**	**As at March 31, 2012**
Nature of hedge instrument	Forward contract	
Description of hedge	To take protection against appreciation/depreciation in USD payable against INR	
Amount in USD in Millions	176.10	94.64

v. The detail of foreign currency exposure that are not hedged by derivative instrument or otherwise are mentioned below:

Description	**As at September 30, 2012**	**As at March 31, 2012**
Included in	**Sundry Creditors**	
Currency	USD	USD
Currency rate (Rs./USD)	52.70	51.16
Amount in USD in Millions	154.14	126.69
Amount in Rs. Millions	**8,123.18**	**6,481.46**
Included in	**Sundry Debtors**	
Currency	USD	USD
Currency rate (Rs./USD)	52.70	51.16
Amount in USD in Millions	39.68	66.24
Amount in Rs. Millions	**2,091.14**	**3,388.84**

13. During the previous year ended March 31, 2012, the Parent Company has instituted an Employee Stock Option Plan ('ESOP') consequent to which 2,679,330 equity shares of Rs. 10 each will be granted as stock options to eligible employees. The exercise price of these options will be determined by the Compensation Committee and will vest over a period of 48 months from the grant date. However, the Parent Company has not granted any ESOPs till date.

14. On July 5, 2011 the Parent Company has converted into a public limited company. Further, pursuant to the new certificate of incorporation dated August 2, 2011 issued by the Registrar of Companies, NCT of Delhi and Haryana, the name of the Parent Company has been changed to PC Jeweller Limited.

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CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS, AS RESTATED
Annexure V

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012		As at March 31, 2012	
	Non current portion	Current Maturities	Non current portion	Current Maturities
Secured				
Vehicle loans from				
Union Bank of India	-	-	-	0.38
Corporation Bank	6.58	4.55	8.81	4.32
HDFC Bank	-	0.25	-	0.61
ICICI Bank	1.24	1.11	1.81	1.06
Axis Bank	7.06	1.86	8.01	1.77
State Bank of Bikaner and Jaipur	1.42	1.19	2.12	1.13
Karur Vysya Bank	0.95	0.39	1.16	0.38
Sub total	**17.25**	**9.35**	**21.91**	**9.65**
The above amount includes				
Secured borrowings	17.25	9.35	21.91	9.65
Amount disclosed under the head 'other current liabilities'		(9.35)	-	(9.65)
Total	**17.25**	**-**	**21.91**	**-**

Notes
1. The repayment terms including interest rates on vehicle loans are as per the agreements with the respective banks.

2. The Group has not made any pre-payment of loans against the payment schedule agreed with banks. Further, no restructuring or rescheduling of loans were made during the period ended September 30, 2012 and year ended March 31, 2012

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CONSOLIDATED STATEMENT OF PROVISIONS, AS RESTATED
Annexure VI

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012		As at March 31, 2012	
	Long term	Short term	Long term	Short term
Provisions for employee benefits (Refer note (a) below)	8.61	0.42	6.09	0.17
Provision for taxation (net of advance tax)	-	211.42	-	254.52
Less: Minimum Alternate Tax credit utilization	-	(9.08)	-	-
Net provision for taxation		202.34	-	254.52
Provision for wealth tax			-	0.20
	8.61	**202.76**	**6.09**	**254.89**

Employee benefits

		September 30, 2012		March 31, 2012
Change in projected benefit obligation		Rs.		Rs.
Projected benefit obligation at the beginning of the period/year		6.26		3.04
Service cost		1.94		3.45
Interest cost		0.27		0.25
Actuarial loss/(gain)		0.56		(0.48)
Projected benefit obligation at the end of the period/ year		**9.03**		**6.26**
Expense recognised in the Statement of Profit and Loss				
Service cost		1.94		3.45
Interest cost		0.27		0.25
Recognized net actuarial gain		0.56		(0.47)
Net costs		**2.77**		**3.23**
Assumptions used				
Discount rate		8.60%		8.60%
Long-term rate of compensation increase		8.00%		8.00%
Average remaining life		30.88		31.14

Comparison of defined contribution plan: Contribution to provident fund and other funds

		For the period ended September 30, 2012		For the year ended March 31, 2012
		Rs.		Rs.
Amount recognized in Statement of Profits and Losses		3.71		7.28

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

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CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED
Annexure VII

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
Secured		
A - Cash credit facilities*		
Corporation Bank	428.05	502.92
State Bank of India	528.72	528.18
Karur Vysya Bank	9.00	12.33
Axis Bank	97.04	642.41
State Bank of Patiala	512.93	303.38
Union Bank of India	-	47.72
Yes Bank	-	71.00
Indian Overseas Bank	6.11	182.67
IDBI Bank	51.03	-
Bank of India	0.74	181.79
Allahabad Bank	-	506.72
Kotak Mahindra Bank	13.98	159.33
State Bank of Bikaner and Jaipur	58.05	141.28
Sub total	**1,705.65**	**3,279.73**
B - Working capital demand loan		
State Bank of India	353.15	151.54
HDFC Bank	90.71	
Sub total	**443.86**	**151.54**
C - Packing credit facilities		
Bank of India	130.74	249.51
Allahabad Bank	220.15	68.30
Corporation Bank	244.97	416.55
Indian Overseas Bank	52.17	44.50
State Bank of Bikaner and Jaipur	330.71	239.83
State Bank of India	75.02	170.72
State Bank of India(SLC)	-	1.43
Karur Vysya Bank	155.24	139.28
Axis Bank	-	15.10
Yes Bank	-	8.91
Sub total	**1,209.00**	**1,354.13**
D - Post shipment credit facilities		
Allahabad bank	125.00	-
IDBI Bank	109.14	236.50
Canara Bank	50.00	-
State Bank of India	101.20	190.50
Karur Vysya Bank	3.50	100.00
Yes Bank	1.00	71.62
Corporation Bank	-	345.11
Sub total	**389.84**	**943.73**
Unsecured		
E - Bank Overdraft*		
Bank of India	1.80	-
Croporation Bank	4.98	0.03
Axis Bank	-	1.32
Bank of India	-	0.01
IDBI Bank	-	1.87
Karur Vysya Bank	-	0.00**
Scota Bank margin Account	1.15	18.80
Sub total	**7.93**	**22.03**
Total (A+B+C+D+E)	**3,756.28**	**5,751.16**

** repayable on demand*
*** rounded off to nil*

Note: The payment terms of the loans from banks are as follows:

Loans from banks

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
Cash credit facility					
1	Corporation Bank	Base rate plus 2.6% per annum with monthly rests. The said interest rate is, however, subject to revision from time to time. If at any time, Lead Bank charge higher rate of interest, such rate will apply	Repayable on demand subject to annual renewal.	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge on current assets including receivables of the domestic division of the Company. **II. Collateral security and Guarantees:** Refer note below
2	State Bank of India	Base rate plus 2.25% per annum with monthly rests.	Repayable on demand.	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
3	State Bank of India(Standby line of credit)	1% above the rate applicable to facilities for which Standby line of credit is being utilized	The Company will be entitled to avail the facility for maximum period of 60 days in one instance. However there is no restriction on the number of times this limit is utilised during the tenure of the credit limits sanctioned under this scheme		Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the export and domestic divisions of Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
4	Karur Vysya Bank	Base rate plus 2.5% per annum with monthly rests.	Repayable on demand.	-	Secured by way of :- **I. Primary security :** First pari passu charge by way of hypothecation of entire current assets of the Company including domestic and export receivables both present and future **II. Collateral security and Guarantees:** Refer note below
5	Axis Bank	Base rate plus 3% per annum with monthly rests.	Repayable on demand.	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge on entire current assets of the Company, both present and future **II. Collateral security and Guarantees:** Refer note below

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
6	State Bank of Patiala	Base rate plus 2.5%.	Repayable on demand.	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables, both present and future. **II. Collateral security and Guarantees:** Refer note below
7	Union Bank of India	Base Rate plus 2.50%.	Repayable on demand.	-	Secured by way of :- **I. Primary security :** **1)** First pari-passu charge by way of hypothecation of entire current assets of the domestic division of the Company including receivables both present and future. **II. Collateral security and Guarantees:** Refer note below
8	Yes Bank	Base rate plus 3.50% per annum.	Repayable on demand.	-	Secured by way of :- **I. Primary security :** 1) First Pari passu charge on all current assets of the Company (both present and future). **II. Collateral security and Guarantees:** Refer Note below
9	Indian Overseas Bank	Base rate plus 3.50%, payable at monthly rests.	Repayable on demand.	-	Secured by way of :- **I. Primary security :** 1st paripassu charge on the current assets of the Company, both present and future **II. Collateral security and Guarantees**: Refer note below
10	IDBI Bank	Base rate plus 400 bps payable monthly.	Repayable on demand.		Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables,both present and future. **II. Collateral security and Guarantees:** Refer note below
11	Bank of India	3% over base rate(concession of 1%), payable at monthly rests, subject to change from	Repayable on demand	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge byway of hypothecation of entire

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
		time to time but it can't be lower than the interest rate charged by the lead bank of the consortium			current assets of the company including receivables, both present and future **II. Collateral security and Guarantees:** Refer Note below
12	Allahabad Bank	Base rate plus 3.5% but not below the rate charged by the lead bank	Repayable on demand.	-	Secured by way of :- **I. Primary security :** 1)Exclusive/joint hypothecation charge over the entire current assets of the Company, both present and future, ranking pari passu with other working consortium lenders **II. Collateral security and Guarantees:** Refer note below
13	Kotak Mahindra Bank	To be decided at the time of draw down	Repayable on demand.		Secured by way of :- **I. Primary security :** 1) First pari passu charge alongwith consortium bankers on present and future current assets of the Company including receivables **II. Collateral security and Guarantees:** Refer note below
14	State Bank of Bikaner and Jaipur ('SBBJ')	Base rate plus 2.5% subject to changes from time to time, in line with SBI (Lead Bank). However, rate of interest cannot be lower than any other bank of the consortium	Repayable on demand.		Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables,both present and future. **II. Collateral security and Guarantees:** Refer note below
Vehicle loans					
1	Corporation Bank	First year is 8.5% per annum. From second year onwards, interest to be fixed at 2.25% above the base rate prevailing at the time subject to revision from time to time	48 EMIs amounting to Rs. 4,43,670 for the first year and EMIs for the subsequent period to be fixed on revision of the interest rate.	-	Secured by first charge on the vehicles financed by the bank
2	ICICI Bank	10.50% per annum on each of the three vehicle loans	36 EMIs of Rs. 36,409 each pertaining to each of the three vehicle loans		Secured by first charge on the vehicles financed by the bank
3	Axis Bank	Interest rates varies among different vehicle loans	EMIs varies among different vehicle Loans		Secured by first charge on the vehicles financed by the bank
4	State Bank of Bikaner and Jaipur	Interest rates varies among different vehicle loans	EMIs varies among different vehicle Loans		Secured by first charge on the vehicles financed by the bank

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
	('SBBJ')				
5	Karur Vysya Bank	12.50% per annum on each of the two vehicle loans	EMIs varies among two vehicle loans as follows: 1)36 EMIs of Rs. 25,090 each 2)48 EMIs of Rs. 20,998 each		Secured by first charge on the vehicles financed by the bank
Working Capital Demand Loan					
1	State Bank of India *				
2	HDFC Bank	As per prevailing rate	Minimum tenure of 30 days and maximum tenure of 180 days but not exceeding the validity period of facility , whichever is earlier	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables,both present and future. **II. Collateral security and Guarantees:** Refer note below
Packing credit facility					
1	Bank of India	Normal rates stipulated per the Reserve Bank of India ('RBI') guidelines/ bank instructions	*Not specified*	-	Secured by way of :- **I. Primary security :** First pari-passu charge byway of hypothecation of entire current assets of the company including receivables, both present and future **II. Collateral security and Guarantees:** Refer Note below
2	Allahabad Bank	As per the circular	Repayable on demand		Secured by way of :- **I. Primary security :** 1)Exclusive/joint hypothecation charge over the entire current assets of the Company, both present and future, ranking pari passu with other working consortium lenders **II. Collateral security and Guarantees:** Refer note below
3	Corporation Bank	1) 10.75% per annum upto 270 days, this is however subject to revision from time to time*0.25% concession being extended from the*	This facility is permitted to be released on a running account basis with adjustment of the same being done on first in first out basis. Each such packing credit facility shall be	-	Secured by way of :- **I. Primary security :** Pari passu first charge on current assets including receivables of the Export Division of the Company.

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
		*Bank's applicable rate due to Gold Card Holders*2) Rate of interest for 'Packing credit in foreign currency' facility shall be LIBOR of relative duration plus 350 bps	closed within 270 days out of the proceeds of the export bills.		**II. Collateral security and Guarantees:** Refer note below
4	Indian Overseas Bank	Base rate plus 3.5 %	As per circulars in force		Secured by way of :- **I. Primary security :** 1) First pari passu charge on the current assets of the company, both present and future 2) Foreign documentary demand/usance bill accompanied by airway bills/ bills of lading and cover under JLH. **II. Collateral security and Guarantees**: Refer note below
5	State Bank of Bikaner and Jaipur ('SBBJ')	As applicable under the SBBJ Expo Gold Card Scheme.	To be liquidated within maximum 180 days by lodgment of export bills	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including receivables, both present and future 2) Deposits of irrevocable letters of credit/firm contracts drawn in favour of the Company and/or firm contracts entered into between the Company and overseas buyers. 3)First pari passu hypothecation charge of raw materials, finished goods, stocks in process, consumable stores and spares, inward railway receipts/motor transport receipts/lills of lading and other documents of title to goods covering raw materials and finished goods in transit, all pertaining to the Company's exports. **II. Collateral security and Guarantees:** Refer note below
6	State Bank of India ('SBI')	As applicable to SBI Exporters Gold Card Scheme. However, the rate are as per Bank's guidelines and subject to change from time to time, which shall be advised to Company	*Not specified*	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the export and domestic divisions of Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
7	State Bank of India (Standby limit under exporter's gold card)	Interest rate as applicable to the facility for which Standby line of credit is availed	*Not specified*		Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the export and domestic divisions of Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
8	Karur Vysya Bank	1% above the Base Rate	*Not specified*	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the Company including domestic and export receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
9	Axis Bank	1) Export packing credit: : Base rate plus 2.50% at monthly rests. 2) Packing credit in foreign currency: : To be decided at the time of drawdown subject to availability of funds	Facility will be allowed upto 180 days or expiry of contracts/export letters of credit for shipment, whichever is earlier	-	Secured by way of :- **I. Primary security :** 1) First pari-passu charge on the entire current assets of the of the Company, both present and future **II. Collateral security and Guarantees:** Refer note below
10	Yes Bank	Interest rates vary transaction wise and are decided at the time of each disbursement for both facilities as follows: 1)Packing credit facility in Indian rupee 2)Packing credit facility in foreign currency	Maximum tenure of 6 months	-	Secured by way of :- **I. Primary security :** 1)First pari passu charge on all current assets of the Company (both present and future). **II. Collateral security and Guarantees:** Refer note below
Post shipment credit facility					
1	Allahabad Bank	As per the circular	*Not specified*		Secured by way of :- **I. Primary security :** 1) First pari-passu charge byway of hypothecation of entire current assets of the Company including receivables, both present and future **II. Collateral security and Guarantees:** Refer Note below
2	IDBI Bank	As per extant Reserve Bank	Realization of export bill on due		Secured by way of :-

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
		of India guidelines plus out of pocket expenses, in case of facility availed in foreign currency Base rate plus 350 bps per annum, in case of facility availed in Indian rupee.	date.		**I. Primary security :** Pari passu first charge on current assets including receivables of the Export Division of the Company. **II. Collateral security and Guarantees:** Refer note below
3	Canara Bank	As applicable to export credit facility	*Not specified*	-	Secured by way of :- **I. Primary security :** 1) Debtors pertaining to bills discounted with bank **II. Collateral security:** Farm house located at plot No.D-12, Village Asola, New Delhi measuring 3.125 acres in the name of M/s Jewels Pvt Ltd **III. Personal guarantee** a) Sh. Padam Chand Garg b) Sh. Amar Chand Garg c) Sh. Balram Garg d) Sh. Sachin Garg e) Sh. Nitin Garg **IV. Corporate guarantee** a) M/s Shivani Sarees Private Limited b) M/s Spectrum Townships Private Limited c) M/s Onyx Township Private Limited d) M/s Trigun Infrastructure Private Limited e) M/s Amar Garments Private Limited f) M/s Suruchi Promoters Private Limited g) M/s Jewel Travels Private Limited
4	State Bank of India	As applicable to SBI Exporters Gold Card Scheme. However, the rate are as per Bank's guidelines and subject to change from time to time, which shall be advised to Company	*Not specified*	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge by way of hypothecation of entire current assets of the domestic and exports divisions of the Company, including receivables, both present and future **II. Collateral security and Guarantees:** Refer note below
5	Karur Vysya Bank	Base rate plus 1%.	*Not specified*	-	Secured by way of :- **I. Primary security :**

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment terms	Security provided
					1) First pari passu charge by way of hypothecation of entire current assets of the Company including domestic and export receivables,both present and future **II. Collateral security and Guarantees:** Refer Note below
6	Yes Bank	Interest rates vary transaction wise and are decided at the time of each disbursement	Maximum tenure of 6 Months	-	Secured by way of :- **I. Primary security :** 1) First pari passu charge on all current assets of the Company (both present and future). **II. Collateral security and Guarantees:** Refer note below
7	Corporation Bank	10.75% per annum upto 270 days, this is, however, subject to revision from time to time *0.25% concession being extended from the Bank's applicable rate due to Gold Card Status*	Repayment of export bills as per Reserve Bank of India Guidelines	-	Secured by way of :- **I. Primary security :** 1)Pari passu first charge on current assets including receivables of the Export Division of the Company. **II. Collateral security and Guarantees:** Refer Note below

**Agreement not available*

Note:
"Collateral security:
1) Equitable mortgage of the following properties on pari passu basis with other Working capital consortium members :
a) Commercial property (showroom and corporate office) located at Bank Street, Karol Bagh in the name of Shri Padam Chand Gupta, Chairman (property no. 2706 and 2707) and property no. 2708 being in the joint name of Mr. Padam Chand Gupta, Chairman (2/9th share), Mr. Balram Garg, managing director (1/9th share), Mr. Nitin Garg (son of Mr. Padam Chand Gupta) (1/3rd share) and Mr. Sachin Garg (son of Mr. Padam Chand Gupta) (1/3rd share).
b) Commercial property No. 2713-2716 at Bank Street in the name of Mr. Padam Chand Gupta, Chairman (2/6th share), Mr. Amar Chand Garg, (brother of Mr. Padam Chand Gupta and Mr. Balram Garg) (3/6th share) and Mr. Balram Garg, Managing director (1/6th share).
c) Commercial property No. 2717-2718 at Bank Street, Karol Bagh, in the name of Mr. Padam Chand Gupta, Chairman.
d) Property No. 6720 at Karol Bagh, in the name of Mr. Balram Garg, Managing director.
e) Property at Village Ratangarh, tehsil Shahabad, Kurukshetra in the name of M/s Trigun Infrastructure Private Limited.
f) Leasehold land and double storeyed commercial building, situated at Karol Bagh, New Delhi in name of M/s Amar Garments Private Limited.
g) Property (land and building) situated at Dehradun, Uttaranchal in the name of M/s Suruchi Promoters Private Limited.
h) Residential property at Civil Lines, Delhi in name of Mr. Padam Chand Gupta, Chairman.
i) Built up residential property at Pitampura, in name on Mr. Padam Chand Gupta, Chairman.
j) Commercial property at Rajasthan, in name of M/s Spectrum Townships Private Limited.
k) Farm house at Village Bakoli, in name of Mr. Padam Chand Gupta, Chairman.
l) Commercial property at Pitampura, Delhi in name of Mr. Padam Chand Gupta, Chairman.
m) Commercial property at Ludhiana in the name of M/s Onyx Townships Private Limited.
n) Built up Industrial property at Noida, in the name of M/s Shivani Sarees Private Limited

o) Commercial property at Jalandhar, in name of the Company
p) Residential property located at flat on 2nd floor at Plot No. C-15, Green park extension, New Delhi, in name of M/s Gazal Sarees Private Limited
q)Residential property located at 1st floor, Plot No. A-32, Gulmohar Park, New Delhi in name of M/s Decent Infotech Private Limited
r)Vacant land situated at Village Karanpur, Dehradun bearing Khasra No. 127/2 and 128/2 and at Village Kandoli, Dehradun bearing Khara Nos. 114,115,116,118,119,120,121,122k,122g,123,124k,124kha,124g,125ka,125kha,125ga,125 da in name of M/s Stereo Construction Private Limited
s)Agricultural Land (farm house) at Khasra Nos. 49/14 (0-6), 48/14 (6-10), 49/15 (4-14), 49/17 (3-18) & 49/6 (0-6) measuring about 4.132 acres located at Village Bakoli
t)Other additional properties to maintain the collateral coverage at 25%
u) Short term deposit receipts of Rs. 30 lacs

2) First pari passu charges on the entire fixed assets of the Company except those assets and vehicles already charged to banks/financial institutions within/outside the consortium

Personal guarantee :

1) Mr. Padam Chand Gupta (Chairman),
2) Mr. Amar Chand Garg (brother of Mr. Padam Chand Gupta and Mr. Balram Garg),
3) Mr. Balram Garg (Managing director),
4) Mr. Sachin Gupta (son of Mr. Padam Chand Gupta) and
5) Mr. Nitin Gupta (son of Mr. Padam Chand Gupta).

Corporate Guarantee :

1) M/s Trigun Infrastructure Private Limited
2) M/s Amar Garments Private Limited and
3) M/s Suruchi Promoters Private Limited
4) M/s Shivani Sarees Private Limited,
5) M/s Spectrum Townships Private Limited
6) M/s Onyx Townships Private Limited
7)M/s Decent Infotech Private Limited
8)M/s Gazal Sarees Private Limited
9)M/s Stereo Constructions Private Limited
10)M/s Sampooran Projects Private Limited

CONSOLIDATED STATEMENT OF TRADE PAYABLE, AS RESTATED
Annexure VIII

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31,2012
Dues to creditors for goods	12,196.44	7,889.31
	12,196.44	**7,889.31**

CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED
Annexure IX

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
Current maturities of vehicle loans	9.35	9.65
Interest accrued and due on borrowings	-	5.58
Statutory dues	15.66	11.77
Employee related payables	24.03	25.51
Other accrued liabilities	70.44	92.41
Other payable		
Advance from customers	775.11	397.90
Towards creditors for capital goods	7.49	50.41
Foreign currency payable, net	114.17	273.41
	1,016.25	**866.64**

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CONSOLIDATED STATEMENT OF SHARE CAPITAL, AS RESTATED
Annexure X

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012		As at March 31, 2012	
	Number	Rs.	Number	Rs.
Authorised share capital				
Equity shares of Rs. 10 each	200,000,000	2,000.00	200,000,000	2,000.00
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each	133,966,500	1,339.67	133,966,500	1,339.67

a) Reconciliation of equity share capital

Particulars	As at September 30, 2012		As at March 31, 2012	
	Number	Rs.	Number	Rs.
Balance at the beginning of the period/year	133,966,500	1,339.67	44,655,500	446.56
Add: bonus shares issued during the period/ year			89,311,000	893.11
Balance at the end of the period/ year	133,966,500	1,339.67	133,966,500	1,339.67

i) During the year, the Parent Company alloted 89,311,000 equity shares as fully paid-up by way of bonus to its existing shareholders by capitalisation of Rs. 225 millions from securities premium account and Rs. 668.11 millions from Statement of Profit and Loss.

b) Shareholding structure

Shareholders holding more than 5% of the shares of the Parent Company

Particulars	As at September 30, 2012		As at March 31, 2012	
	No. of shares	%	No. of shares	%
Equity shares of Rs. 10 each				
Mr. Balram Garg	66,002,700	49.27 %	66,002,700	49.27 %
Mr. Padam Chand Gupta	50,371,800	37.60 %	50,371,800	37.60 %

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

During the previous year, the Parent Company has issued two bonus shares for each share held by the shareholders per record on the September 16, 2011. Consequently, 89,311,000 bonus shares of Rs. 10 each has been issued by utilizing the securities premium balance and accumulated profits. No such issue has taken place in the immediately preceding five years. Other than the abovementioned bonus issues, the Company has not issued any shares pursuant to a contract without payment being received in cash nor has there been any buy-back of shares in the current year and preceding five years.

d) During the previous year, the Parent Company increased its authorised equity share capital from Rs. 500 million comprising of 50,000,000 equity shares of Rs. 10 each to Rs. 2,000 million comprising of 200,000,000 equity shares of Rs. 10 each.

e) The Parent Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS, AS RESTATED
Annexure XI

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
Reserves and surplus		
Securities premium reserve		
Balance at the beginning of the period/ year	-	225.00
Less : utilised for issuance of bonus shares	-	225.00
Balance at the end of the period/ year (A)	-	-
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the period/ year	4,213.88	2,585.13
Add : transferred from Statement of Profit and Loss	1,423.45	2,296.85
Less : utilised for issue of bonus shares	-	668.11
Net Surplus in the Statement of Profit and loss (B)	**5,637.33**	**4,213.87**
Total (A+B)	**5,637.33**	**4,213.87**

CONSOLIDATED STATEMENT OF DEFERRED TAX ASSETS, AS RESTATED
Annexure XII

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31,2012
Deferred tax assets		
Timing difference on depreciation/amortization	4.70	2.19
Tax impact on restatement adjustment	6.07	6.07
Provision for employee benefits	2.93	2.03
	13.70	**10.29**

CONSOLIDATED STATEMENT OF LOANS AND ADVANCES AS RESTATED
Annexure XIII

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012		As at March 31, 2012	
	Long term	Short term	Long term	Short term
Loans and advances				
(Unsecured, considered good)				
Capital advances	204.65	-	218.62	-
Security deposits				
Related parties	14.50	-	14.50	-
Others	180.97	-	167.25	-
Loans and advances				
Related parties	-	-	0.62	3.91
Others	85.76	-	-	-
Minimum alternate tax credit entitlement	210.63	-	219.70	-
Other loans and advances:	-	-		
Prepaid expenses	-	5.47	-	3.79
Balances with government authorities	-	29.18	-	21.28
Advances to suppliers	-	830.24	-	143.75
Others	-	45.17	0.01	68.31
	696.51	**910.06**	**620.70**	**241.04**

CONSOLIDATED STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED
Annexure XIV

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
Non-current bank balances (refer annexure XVII)	17.54	24.22
Share issue expenses	69.45	56.34
	86.99	**80.56**

CONSOLIDATED STATEMENT OF INVENTORIES, AS RESTATED
Annexure XV

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
Raw materials	860.95	631.71
Work-in-progress	5,410.14	4,015.96
Finished goods - own manufactured	7,691.65	7,076.43
	13,962.74	**11,724.10**

CONSOLIDATED STATEMENT OF TRADE RECEIVABLE, AS RESTATED
Annexure XVI

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months from the date they are due for payment		
Others	29.91	69.24
Other debts		
Others	6,995.65	6,797.21
	7,025.56	**6,866.45**

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CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES, AS RESTATED
Annexure XVII

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
Cash and cash equivalents		
Cash in hand	647.19	31.60
Cheques in hand	8.27	2.55
Balances with banks in current accounts	137.27	79.89
	792.73	114.04
Other bank balances		
Fixed deposits with maturity of more than twelve months	17.54	24.22
Total	**810.27**	**138.26**
Less : Amounts disclosed as other non-current asset (refer Annexure XIV)	17.54	24.22
	792.73	**114.04**

CONSOLIDATED STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED
Annexure XVIII

(Amounts in Rs. Millions)

Particulars	As at September 30, 2012	As at March 31, 2012
Interest accrued on		
fixed deposits	32.62	19.00
loan to others	5.64	-
	38.26	**19.00**

CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS, AS RESTATED
Annexure XIX

(*Amounts in Rs. Millions)*

Particulars	As at September 30, 2012	As at March 31, 2012
Claims against the company not acknowledged as debt		
Value added tax	1.85	1.85
Legal case *	5.50	-
Guarantees	10.00	10.00
Estimated amount of contracts remaining to be executed on revenue account and not provided for	-	31.59

** excluding interest which is not ascertainable*

CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED
Annexure XX

(Amounts in Rs. Millions)

Particulars	For the period ended September 30, 2012	For the year ended March 31, 2012
Sale of products		
- Export	6,052.22	10,024.37
- Domestic	12,504.78	20,394.90
	18,557.00	**30,419.27**

CONSOLIDATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS, AS RESTATED
Annexure XXI

(Amounts in Rs. Millions)

Particulars	For the period ended September 30, 2012	For the year ended March 31, 2012
Closing stock		
- Finished goods - own manufactured	7,691.65	7,076.43
- Work-in-progress	5,410.14	4,015.96
	13,101.79	11,092.39
Opening stock		
- Finished goods - own manufactured	7,076.43	2,986.91
- Work-in-progress	4,015.96	1,968.24
	11,092.39	4,955.15
	2,009.40	**6,137.24**

CONSOLIDATED STATEMENT OF OTHER INCOME, AS RESTATED
Annexure XXII

(Amounts in Rs. Millions)

Particulars	For the period ended September 30, 2012	For the year ended March 31, 2012	Nature (recurring/ non recurring)	Related/ not related to business activity
Interest income on:				
- fixed deposit	40.02	169.45	Recurring	Related
- loan to others	3.97	-	Non-recurring	Not related
Net gain from commodity trading in futures	-	9.91	Recurring	Related
Net gain on foreign currency transaction and translation	27.27	-	Recurring	Related
Profit on disposal of investment in subsidiary	6.30	-	Non-recurring	Not related
Gain on disposal of fixed assets	0.04	-	Non-recurring	Related
Other non-operating income	2.11	2.57	Recurring	Related
	79.71	**181.93**		
Profit before tax	**1,777.15**	**2,646.35**		
% of other income to profit before tax	**4%**	**7%**		

Notes:

1 *All items classified under other income were earned in the normal course of business.*

2 *The classification of 'Other income' as recurring or non-recurring is based on the current operations and business activities of the Company, as determined by the management.*

CONSOLIDATED STATEMENT OF COST OF MATERIAL CONSUMED, AS RESTATED
Annexure XXIII

(Amounts in Rs. Millions)

Particulars	For the period ended September 30, 2012	For the year ended March 31,2012
Raw material consumed		
Opening stock	631.71	545.78
Add : purchases during the period/year	17,756.88	31,359.48
Less : closing stock	860.95	631.71
	17,527.64	**31,273.55**

CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES, AS RESTATED
Annexure XXIV

(Amounts in Rs. Millions)

Particulars	For the period ended September 30, 2012	For the year ended March 31, 2012
Salaries, wages and bonus	148.67	226.05
Contribution to gratuity	2.77	3.23
Contribution to provident and other defined contribution funds	3.71	7.28
Staff welfare expenses	7.13	12.41
	162.28	**248.97**

CONSOLIDATED STATEMENT OF FINANCE COST, AS RESTATED
Annexure XXV

(Amounts in Rs. Millions)

Particulars	For the period ended September 30, 2012	For the year ended March 31, 2012
Interest expenses	485.72	608.67
Interest on late deposit of advance tax	1.97	20.72
Bank charges	103.04	153.17
	590.73	**782.56**

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CONSOLIDATED STATEMENT OF OTHER EXPENSES, AS RESTATED
Annexure XXVI

(Amounts in Rs. Millions)

Particulars	For the period ended September 30, 2012	For the year ended March 31, 2012
Advertisement	92.76	264.06
Labour charges	109.49	199.97
Hallmarking charges	1.44	5.07
Packing expenses	2.41	20.88
Rent	103.48	140.82
Business promotion	38.37	21.90
Communication expenses	9.87	10.80
Repairs and maintenance-others	6.04	10.00
Discount and commission	58.55	35.75
Electricity and water	27.56	32.99
Office maintenance	8.96	9.35
Vehicle running and maintenance	2.98	5.98
Insurance	8.68	10.26
Legal and professional	7.50	19.91
Printing and stationery	5.04	7.53
Rates and taxes	1.16	9.41
Security expenses	16.58	23.81
Travelling and conveyance	7.51	15.20
Net loss from commodity trading in futures	9.46	-
Net loss on sale of fixed assets	-	1.88
Net loss on foreign currency translation	-	824.92
Donation	10.01	7.89
Miscellaneous	2.46	3.03
	530.31	**1,681.41**

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CONSOLIDATED CAPITALISATION STATEMENT, AS RESTATED

Annexure XXVII

(Amounts in Rs. Millions)

Particulars	Pre Issue as at September 30, 2012
Borrowings :	
Short-term	3,756.28
Long-term	26.60
Total borrowings	**3,782.88**
Shareholders' funds:	
Share capital	1,339.67
Reserves and Surplus	5,637.33
Total shareholders' funds	**6,977.00**
Long-term borrowings/equity ratio	0.00*
Total borrowings/equity ratio	0.54

* *Rounded off to Rs. Nil.*

Notes:

1. *The Long term borrowings/equity ratio have been computed as under:*
   Long term borrowings/ total shareholders Funds
2. *The Total borrowings/equity ratio have been computed as under:*
   Total borrowings/ Total Shareholders Funds
3. *Short term borrowing is considered as borrowing due within 12 months from the balance sheet date.*
4. *Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of vehicle loans and long term borrowings..*
5. *The figures disclosed above are based on the Restated Summary Statements of the Company.*

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CONSOLIDATED STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED
Annexure XXVIII

A.	**List of related parties**		
	Related party disclosures, as required by Accounting Standard 18 - Related Party Disclosures, notified under the Companies Act, 1956 are given below:		
(i)	Key management personnel		
	Mr. Padam Chand Gupta	:	Chairman of the Parent Company and director of the Subsidiary Company
	Mr. Balram Garg	:	Managing Director of the Parent Company and Subsidiary Company
	Mr. R.K. Sharma (upto September 22, 2011)	:	Executive Director of the Parent Company
	Mr. Amar Chand Garg (upto September 22, 2011)	:	Vice Chairman of the Parent Company and Director of the Subsidiary Company
	Ms. Shivani Gupta	:	Director of Subsidiary Company
(ii)	Relatives of Key management personnel		
	Ms. Kusum Jain	:	Sister of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg
	Mr. Nitin Gupta	:	Son of Mr. Padam Chand Gupta
	Mr. Sachin Gupta	:	Son of Mr. Padam Chand Gupta
	Ms. Gazal Garg	:	Daughter-in-law of Mr. Padam Chand Gupta
	Smt. Pooja Lila	:	Wife of Mr. Balram Garg
	Smt. Payal Lila	:	Daughter of Mr. Amar Chand Garg
	Smt. Krishna Devi	:	Wife of Mr. Padam Chand Gupta
	Ms. Santosh Sharma	:	Wife of Mr. R. K. Sharma
	Ms. Manju Garg	:	Wife of Mr. Amar Chand Garg
	Ms. Ritu Gupta	:	Daughter of Mr. Padam Chand Gupta
	Ms. Shivani Gupta	:	Daughter-in-law of Mr. Padam Chand Gupta
(iii)	Other entities in which key management personnel is having significant influence		
	P C Jewellers (Exports)		
	P C Mangal Vasan Private Limited		
	Onyx Townships Private Limited		
	Quick Developers Private Limited		
	Amar Chand Garg HUF		
	Padam Chand Gupta HUF		
	Amar Garments Private Limited.		
	Trigun Infrastructure Private Limited.		
	PC Charitable Society (Regd.)		
	PC Education Society (Regd.)		
	Shivani Sachin Education Society (Regd.)		
	Balram Garg, HUF		
	Balkishan Das, HUF		
	Suruchi Promoters Private Limited		
	PC Developers Private Limited		

CONSOLIDATED STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED
Annexure XXVIII

(Amounts in Rs. Million)

B. **Transactions undertaken/ balances outstanding with related parties in the ordinary course of business**

i) **Key management personnel**

S.no.	Transactions during the period/year	For the period ended September 30, 2012	For the year ended March 31, 2012
1	**Rent paid**	**1.47**	**2.48**
	Mr. Padam Chand Gupta	*1.40*	*2.48*
2	**Amount received back**	**3.92**	-
	Mr. Nitin Gupta	*1.94*	-
	Mr. Sachin Gupta	*1.98*	-
3	**Remuneration paid**	**30.04**	**45.64**
	Mr. R K Sharma	-	*0.38*
	Mr. Balram Garg	*30.00*	*45.00*
	Ms. Shivani Gupta	-	*0.26*
4	**Loan received**	-	**14.85**
	Mr. Amar Chand Garg	-	*14.85*
5	**Loan repaid**	-	**14.85**
	Mr. Amar Chand Garg	-	*14.85*
6	**Shares issued**	-	**795.43**
	Mr. Padam Chand Gupta	-	*335.81*
	Mr. Balram Garg	-	*440.02*
	Ms. Shivani Gupta	-	*19.60*
7	**Share application money refunded**	-	**0.90**
	Mr. Balram Garg	-	*0.90*

S.no.	Balance at the period/year end	For the period ended September 30, 2012	For the year ended March 31, 2012
1	**Amount payable**	**1.34**	**0.11**
	Mr. Padam Chand Gupta	*1.27*	*0.11*
2	**Remuneration payable**	**0.02**	**3.53**
	Mr. Padam Chand Gupta	*0.02*	-
	Mr. R K Sharma	-	*0.02*
	Ms. Shivani Gupta	-	*0.04*
	Mr. Balram Garg	-	*3.47*

ii) **Relatives of key management personnel (with whom transactions have taken place during the year/period)**

S.no.	Transactions during the period/year	For the period ended September 30, 2012	For the year ended March 31, 2012
1	**Rent paid**	**0.38**	**0.74**
	Mr. Sachin Gupta	*0.19*	*0.37*
	Mr. Nitin Gupta	*0.19*	*0.37*
2	**Remuneration paid**	**3.55**	**5.21**
	Ms. Kusum Jain	-	*0.20*
	Ms. Santosh Sharma	-	*0.16*
	Mr. Sachin Gupta	*1.58*	*2.25*
	Mr. Nitin Gupta	*1.58*	*2.34*

		Ms. Gazal Garg	-	*0.26*

	S.no.	Transactions during the period/year	For the period ended September 30, 2012	For the year ended March 31, 2012
	3	**Share issued**	-	**48.46**
		Ms. Pooja Garg	-	*2.07*
		Mr. Sachin Gupta	-	*6.61*
		Ms. Krishna Devi	-	*35.60*
		Ms. Santosh Sharma	-	*1.70*
		Ms. Payal Lila	-	*2.48*
	4	**Advance given**	-	**3.92**
		Mr. Sachin Gupta	-	*1.98*
		Mr. Nitin Gupta	-	*1.94*
	5	**Share application money refunded**	-	**0.80**
		Ms. Santosh Sharma	-	*0.80*

	S.no.	Balance at the period/year end	For the period ended September 30, 2012	For the year ended March 31, 2012
	1	**Remuneration payable**	**0.62**	**0.55**
		Ms. Kusum Jain	-	*0.03*
		Mr. Nitin Gupta	*0.28*	*0.24*
		Ms. Gazal Garg	-	*0.04*
		Mr. Sachin Gupta	*0.28*	*0.24*
	2	**Amount receivable**	-	**3.92**
		Mr. Nitin Gupta	-	*1.94*
		Mr. Sachin Gupta	-	*1.98*
	3	**Amount payable**	**0.34**	-
		Mr. Nitin Gupta	*0.17*	-
		Mr. Sachin Gupta	*0.17*	-

iv) Other entities over which key management personnel are able to exercise significant influence

	S.no.	Transactions during the period/year	For the period ended September 30, 2012	For the year ended March 31,2012
	1	**Sale of goods**	-	**377.95**
		PC Jewellers (Exports)	-	*377.95*
	2	**Purchase of goods**	-	**183.87**
		PC Jewellers (Exports)	-	*183.87*
	3	**Rent paid**	**1.35**	**2.65**
		Onyx Townships Private Limited	*1.35*	*2.65*
	4	**Loan received**	-	**8.50**
		PC Developers Private Limited	-	*8.50*
	5	**Loan repaid**	-	**24.16**
		PC Developers Private Limited	-	*24.16*
	6	**Purchase of property**	-	**39.98**
		P C Jewellers (Exports)	-	*39.98*
	7	**Share issued**	-	**49.22**
		Mr. Amar Chand Garg (HUF)	-	*8.40*
		Mr. Padam Chand Gupta (HUF)	-	*7.23*

		Quick Developers Private Limited	-	*33.30*
		Balram Garg HUF	-	*0.28*

	S.no.	Transactions during the period/year	For the period ended September 30, 2012	For the year ended March 31,2012
	8	**Share application money refunded**	-	**7.79**
		Balkishan Das HUF	-	*0.09*
		Quick Developers Private Limited	-	*0.10*
		Suruchi Promoters Private Limited	-	*7.60*

	S.no.	Balance at the period/year end	For the period ended September 30, 2012	For the year ended March 31, 2012
	1	**Amount payable**	**2.57**	**2.57**
		PC Mangal Vasan Private Limited	*1.38*	*1.38*
		P C Jewellers (Exports)	*1.19*	*1.19*
	2	**Amount receivable**	**-**	**0.62**
		Onyx Townships Private limited	-	*0.62*
	3	**Security Deposit**	**14.50**	**14.50**
		Onyx Townships Private Limited	*14.50*	*14.50*

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SUMMARY OF CONSOLIDATED ACCOUNTING RATIOS, AS RESTATED
Annexure XXIX

(Amounts in Rs. Million)

S.NO.	PARTICULARS	For the period ended September 30, 2012	For the year ended March 31, 2012
A	Net Worth	6,977.00	5,553.54
B	Restated profit after tax	1,423.45	2,296.85
	Weighted average number of equity shares outstanding during the period/year		
C	For Basic earning per share	133,966,500	133,966,500
D	For Diluted earning per share	133,966,500	133,966,500
	Earnings per share Rs. 10 each		
E	Basic earning per share **(B/C)**	10.63	17.14
F	Diluted earning per share **(B/D)**	10.63	17.14
G	Return on net worth (%) **(B/A)**	0.20	0.41
H	Number of shares outstanding at the end of the period/year	133,966,500	133,966,500
I	Net assets value per share of Rs. 10 each	52.08	41.45
J	Face value (Rs.)	10.00	10.00

Notes :-

1) **The ratio has been computed as below :**

$$\text{Earnings per share-Basic and Diluted} = \frac{\text{Net profit after tax as restated}}{\text{Weighted average number of Equity shares outstanding during the period/year}}$$

$$\text{Net asset value per share(Rs.)} = \frac{\text{Net worth as restated as at period/year end}}{\text{Number of equity shares as at period/year end}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net profit after tax as restated}}{\text{Net worth as restated as at period/year end}}$$

2) Earning per shares (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006.

3) The figures disclosed above are based on the Restated Consolidated Summary Statements of the Company.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's significant outstanding secured fund-based borrowings, excluding vehicle loans, of approximately ₹ 3,748.35 million, as on September 30, 2012, together with a brief description of certain significant terms of such financing arrangements.

A. Details of Secured Borrowings of our Company

Set forth below is a summary of our secured borrowings, excluding vehicle loans, as on September 30, 2012.

No.	Name of Lender	Description of Documentation	Amount Outstanding as on September 30, 2012	Interest	Repayment	Security
1.	Consortium of: State Bank of India (Lead Bank), Corporation Bank, Axis Bank Limited, State Bank of Patiala, Karur Vysya Bank Limited, Indian Overseas Bank, Bank of India, Union Bank of India, YES Bank Limited, IDBI Bank Limited, Allahabad Bank, State Bank of Bikaner and Jaipur and Kotak Mahindra Bank Limited	Working capital loan of ₹ 15,458.00 million pursuant to the working capital consortium agreement and joint deed of hypothecation both dated January 9, 2012 (the "**Consortium Loan Agreement"**) and the respective sanction letters issued by the consortium members	₹ 3,419.71 million	As mutually agreed by the banks from time to time.	Repayable on demand	• First *pari passu* charge by way of hypothecation and/or pledge of current assets, namely stocks of raw materials, goods, stocks, spares, export bills, receivables, book debts and all other movables, both present and future; • Equitable mortgage on *pari passu* basis on immovable properties* situated at Karol Bagh, Pitampura and Civil Lines in New Delhi, Noida, Sirohi Jalandhar, Kurukshetra, Dehradun, Alipur and Ludhiana; • First *pari passu* charge on the fixed assets, excluding fixed assets charged to term lenders; • Special term deposit receipt of ₹ 0.30 million; • Personal guarantees of Mr. Padam Chand Gupta, Mr. Amar Chand Garg, Mr. Balram Garg, Mr. Sachin Gupta and Mr. Nitin Gupta; and • Corporate guarantees of Trigun Infrastructure Private Limited, Amar Garments Private Limited, Suruchi Promoters Private Limited, Shivani Sarees Private Limited, Spectrum Townships Private Limited and Onyx Townships Private Limited.
2.	Canara Bank	Fund based credit limit of ₹ 50.00 million and non-fund bases credit limit of ₹ 150.00 million pursuant to sanction letter dated July 11, 2012 and a common hypothecation agreement dated July 27, 2012	₹ 50.00 million	Base rate plus 0.50% p.a, with a minimum of 11% p.a.	Repayable on demand	• First *pari passu* charge by way of hypothecation and/or pledge of current assets, namely stocks of raw materials, goods, stocks, spares, export bills, receivables, book debts and all other movables, both present and future; • Exclusive charge by way of EMT over immoveable property located at Asola in New Delhi in the name of Jewel Travels Private Limited; • Personal guarantees of Mr. Padam Chand Gupta, Mr. Amar Chand Garg, Mr. Balram Garg,

No.	Name of Lender	Description of Documentation	Amount Outstanding as on September 30, 2012	Interest	Repayment	Security
						Mr. Sachin Gupta and Mr. Nitin Gupta; and • Corporate guarantees of Trigun Infrastructure Private Limited, Amar Garments Private Limited, Suruchi Promoters Private Limited, Shivani Sarees Private Limited, Spectrum Townships Private Limited, Onyx Townships Private Limited and Jewel Travels Private Limited.
3.	HDFC Bank Limited	Working capital facilities of ₹ 400.00 million pursuant to sanction letter dated April 13, 2012 and letter of hypothecation of stocks and book debts dated May 7, 2012	₹ 90.71 million	Cash credit – base rate plus 300 bps; Working capital demand loan/buyer's credit/SBLC/EPC/PCFC/FBP/PSFC – as mutually agreed or stipulated by HDFC Bank Limited at the time of disbursement;	Repayable on demand	• First *pari passu* charge by way of hypothecation and/or pledge of current assets, namely stocks of raw materials, goods, stocks, spares, export bills, receivables, book debts and all other movables, both present and future; • Equitable mortgage on *pari passu* basis on immovable properties* situated at Karol Bagh, and Civil Lines in New Delhi, Kurukshetra and Dehradun; • First *pari passu* charge on the fixed assets, excluding fixed assets charged to term lenders; • Personal guarantees of Mr. Padam Chand Gupta, Mr. Amar Chand Garg, Mr. Balram Garg, Mr. Sachin Gupta and Mr. Nitin Gupta; and • Corporate guarantees of Trigun Infrastructure Private Limited, Amar Garments Private Limited, and Suruchi Promoters Private Limited.
4.	State Bank of Patiala	Fund based credit limit of ₹ 650.00 million, non-fund based credit limit of ₹ 1,000.00 million, standby limit of ₹ 100.00 million and forward contract of ₹ 12.00 million pursuant to sanction letter dated September 24, 2012 and agreement of hypothecation of goods and assets dated	₹ 12.93 million	Cash credit – base rate plus 2.50%; FBP/EBR/EPC/PCFC/ advance against bills/state by limit – as applicable under Exporter's Gold Card Scheme;	Repayable on demand	• Subservient charge over the unencumbered current assets of the Company; • Personal guarantees of Mr. Padam Chand Gupta, Mr. Amar Chand Garg and Mr. Balram Garg.

No.	Name of Lender	Description of Documentation	Amount Outstanding as on September 30, 2012	Interest	Repayment	Security
		September 26, 2012. ₹ 1,005.00 million of the sanctioned limits is under the Consortium Loan Agreement.				
5.	State Bank of India	Working capital facilities of ₹ 4,896.70 million including a fund based credit limit of ₹ 1,700.00 million and non-fund based credit limit of ₹ 2,800.00 million pursuant to sanction letter dated August 24, 2012 and loan agreement dated August 30, 2012. ₹ 3,300.00 million of the sanctioned limits is under the Consortium Loan Agreement.	Nil	Cash credit – base rate plus 2.25%; EPC/FBP – as applicable to the SBI Exporter Gold Card	Repayable on demand	• First *pari passu* charge by way of hypothecation and/or pledge of current assets, namely stocks of raw materials, goods, stocks, spares, export bills, receivables, book debts and all other movables, both present and future; • Equitable mortgage on *pari passu* basis on immovable properties* situated at Karol Bagh, Green Park, Gulmohar Park, Pitampura and Civil Lines in New Delhi, Noida, Sirohi Jalandhar, Kurukshetra, Dehradun, Alipur and Ludhiana; • First *pari passu* charge on the fixed assets, excluding fixed assets charged to term lenders; • Personal guarantees of Mr. Padam Chand Gupta, Mr. Amar Chand Garg, Mr. Balram Garg, Mr. Sachin Gupta and Mr. Nitin Gupta; and • Corporate guarantees of Trigun Infrastructure Private Limited, Amar Garments Private Limited, Suruchi Promoters Private Limited, Shivani Sarees Private Limited, Spectrum Townships Private Limited, Onyx Townships Private Limited, Decent Infotech Private Limited, Gazal Sarees Private Limited, Stereo Constructions Private Limited and Sampooran Projects Private Limited.
6.	Corporation Bank	Working capital facilities of ₹ 4,500.00 million, forward purchase contract of ₹ 3,125.00 million and forward sale contract of ₹ 3,125.00 million pursuant to	Nil	Cash credit – Base rate plus 2.60%; FDBN/PCL/FDBP/FDBD – 10.75% p.a. up to 270 days; Bank guarantee/	Cash credit – repayable on demand; PCL/PCFC: to be closed within 270 days; Bank guarantee/letter of credit – as per RBI guidelines (maximum	Cash Credit – first *pari passu* first charge on current assets including receivables of the domestic division of the Company; FDBN/FDBP/FDBD - first *pari passu* charge on current assets including receivables of the export division of the Company; Bank guarantee/letter of credit – first *pari passu* charge over current assets of the Company; Collateral Security –

No.	Name of Lender	Description of Documentation	Amount Outstanding as on September 30, 2012	Interest	Repayment	Security
		sanction letter dated August 21, 2012 and common deed of hypothecation of movables/assets/debts dated August 31, 2012. ₹ 3,130.00 million of the sanctioned limits is under the Consortium Loan Agreement.		letter of credit – 7.5% (Margin)	period of 240 days)	• Equitable mortgage on *pari passu* basis on immovable properties* situated at Karol Bagh, Green Park, Gulmohar Park, Pitampura and Civil Lines in New Delhi, Noida, Sirohi Jalandhar, Kurukshetra, Dehradun, Alipur and Ludhiana; • First *pari passu* charge on the fixed assets, excluding fixed assets charged to term lenders; • First *pari passu* charge along with the Consortium members on current assets, including receivables of the domestic and export division of the Company; • Cash collaterals of ₹ 23.00 million; • Personal guarantees of Mr. Padam Chand Gupta, Mr. Amar Chand Garg, Mr. Balram Garg, Mr. Sachin Gupta and Mr. Nitin Gupta; and • Corporate guarantees of Trigun Infrastructure Private Limited, Amar Garments Private Limited, Suruchi Promoters Private Limited, Shivani Sarees Private Limited, Spectrum Townships Private Limited, Onyx Townships Private Limited, Decent Infotech Private Limited, Gazal Sarees Private Limited and Stereo Constructions Private Limited.
7.	Allahabad Bank	Ad-hoc fund based credit limit of ₹ 125.00 million and non fund based credit limit of ₹ 125.00 million pursuant to sanction letter dated April 27, 2012 and a deed of hypothecation dated April 30, 2012	₹ 125.00 million	Cash credit – base rate plus 5.50%;	Bullet repayment at the end of maturity period.	• First *pari pasu* charge, by way of hypothecation on the Company's fixed assets both present and future and an extension of charge over current assets of the Company; • First *pari passu* charge, by way of hypothecation on the Company's present and future products, goods and moveable property of any kind, stocks of raw materials, goods, stocks, spares, export bills, receivables, book debts and all other movables, both present and future; • Personal guarantees of Mr. Padam Chand Gupta and Mr. Balram Garg
8.	IDBI Bank	Ad-hoc rupee advance of ₹ 50.00 million against collection of bills pursuant to sanction	₹ 50.00 million	Base rate plus 350 bps	Repayable upon realization of export bills	• Post dated cheque

No.	Name of Lender	Description of Documentation	Amount Outstanding as on September 30, 2012	Interest	Repayment	Security
		letter dated July 24, 2012 and facility agreement dated July 25, 2012				
9.	Indian Overseas Bank	Working capital facilities of ₹ 1,500.00 million and forward purchase/sale contract of ₹ 1,100.00 million pursuant to sanction letter dated September 27, 2012 and a letter of hypothecation dated October 17, 2012. ₹ 1,005.00 million of the sanctioned limits is under the Consortium Loan Agreement.	Nil	Cash credit – base rate plus 2.5%; Export packing credit – at an applicable rate; and Forward purchase /sale contracts – as per guidelines in force.	Repayable on demand	• First *pari passu* charge by way of hypothecation and/or pledge of current assets, namely stocks of raw materials, goods, stocks, spares, export bills, receivables, book debts and all other movables, both present and future; • Equitable mortgage on *pari passu* basis on immovable properties* situated at Karol Bagh, Green Park, Gulmohar Park, Pitampura and Civil Lines in New Delhi, Noida, Sirohi Jalandhar, Kurukshetra, Dehradun, Alipur and Ludhiana; • First *pari passu* charge on the fixed assets, excluding fixed assets charged to term lenders but including land at Jalandhar which is proposed to be mortgaged; • Cash collaterals of ₹ 23.00 million; • Personal guarantees of Mr. Padam Chand Gupta, Mr. Balram Garg, Mr. Sachin Gupta and Mr. Nitin Gupta; and • Corporate guarantees of Trigun Infrastructure Private Limited, Amar Garments Private Limited, Suruchi Promoters Private Limited, Shivani Sarees Private Limited, Spectrum Townships Private Limited, Onyx Townships Private Limited, Decent Infotech Private Limited, Gazal Sarees Private Limited, and Stereo Constructions Private Limited.

**The immoveable properties are owned by our Promoters, certain members of our Promoter Group, certain Group Entities and SSPL.*

Our Company has entered into a consortium loan agreement dated October 23, 2012 (the "**New Consortium Loan Agreement**"), with State Bank of India, Corporation Bank, Axis Bank Limited, State Bank of Patiala, Karur Vysya Bank Limited, Indian Overseas Bank, Bank of India, Union Bank of India, HDFC Bank Limited, IDBI bank Limited, Allahabad Bank, State Bank of Bikaner and Jaipur, Kotak Mahindra Bank Limited, Canara Bank and SBICAP Trustee Company Limited for working capital facilities of ₹ 21,138.50 million, which includes the working capital facilities under the Consortium Loan Agreement and the standalone financing arrangements as disclosed above. The New Consortium Loan Agreement is in continuation of the Consortium Loan Agreement; however in the event of any inconsistency, the provisions of the New Consortium Loan Agreement will prevail. For details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operation***" on page 277.

Our secured financing arrangements contain various restrictive covenants, including, among others, cross-defaults, an option entitling the lenders to cancel credit facility or not to advance remaining outstanding monies, and to recall the monies then due and outstanding by our Company or to take over and carry on the business of our Company in case of a default or breach. Further, under our secured financing arrangements, some of our lenders have a right to appoint up to two directors as nominees on the Board of Directors.

Under the secured financing arrangements, our Company cannot do the following, without the lenders' prior written consent in writing:

i. effect any change in the capital structure, shareholding pattern of our Company, or memorandum and articles of association of our Company;
ii. formulate any scheme of amalgamation or reconstruction;
iii. implement any scheme of expansion/diversification/modernization other than incurring routine capital expenditure;
iv. make any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except give normal trade credits or place on security deposits in the normal course of business or if required statutorily;
v. undertake guarantee obligations on behalf of any third party or any other company;
vi. create a charge or lien on our assets; and
vii. bring a change, whether directly or indirectly, in the management or control.

Further, under the Consortium Loan Agreement, the New Consortium Loan Agreement and our standalone secured financing arrangements with IDBI Bank Limited and State Bank of India, we are required to, as soon as any call in respect of shares or an issue of shares or the decision to create new shares has been resolved upon, give notice to such banks. Until the expiry of seven days from such notice, we can not issue any notice to our members. If such banks so require, every notice/prospectus sent out by us shall direct the member and applicants for allotment of shares to pay the money in to the joint account of our Company and the banks and the said banks shall be entitled to require all such money received to be applied wholly or partly in or towards the satisfaction of the principal amount or interest. If the banks do not so require, then the money received shall be held in trust by us as security for the satisfaction of the principal amount or the interest. Further under the Consortium Loan Agreement and the New Consortium Loan Agreement, the Lead Bank also has the right to convert debt into equity shares of the Company, at a time felt appropriate by the Lead Bank, at a mutually acceptable formula. We have obtained the requisite consent and waiver of these covenants for the Issue, from the Lead Bank, by its letters dated April 10, 2012 and October 30, 2012 as well as from IDBI Bank Limited and State Bank of India by their letters dated October 18, 2012, respectively. Further we have obtained a *post facto* consent dated April 10, 2012 from the Lead Bank for the change in our capital structure pursuant to the Bonus Issue. We have also obtained the requisite consents for the Issue and consequent changes in our capital structure and shareholding pattern from our lenders, State Bank of Patiala, Corporation Bank, HDFC Bank Limited, Allahabad Bank and Canara Bank, through their letters dated October 18, 2012, and from Indian Overseas Bank through its letter dated October 20, 2012.

As of September 30, 2012, our Company had also availed non-fund based credit facilities from our bankers amounting to ₹ 12,668.83.00 million, which were used by us to procure gold under the gold loan schemes. We have obtained the requisite consent, under the gold loan agreement dated May 4, 2012 entered into with HDFC Bank Limited, for the Issue and consequent changes in our capital structure and shareholding pattern from HDFC Bank Limited though its letter dated October 31, 2012.

Our Company did not have any non-fund based unsecured borrowings as on September 30, 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2008, 2009, 2010, 2011 and 2012, and as of and for the six months ended September 30, 2012, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the, annexures and notes thereto and the reports thereon, included in "Financial Statements" on page 163.

As at March 31, 2012, our Company had one subsidiary, SSPL, which was acquired as our wholly owned subsidiary on July 9, 2011. However, our Company subsequently divested its investment in SSPL on April 14, 2012. The following discussion covers only our standalone financial condition and results of operations and does not include any discussion on our restated consolidated financial condition and result of operations during the period that SSPL was a subsidiary of our Company. During the period it was a subsidiary of our Company, SSPL did not have any significant operations. For further information on our restated consolidated financial information, see "Summary Financial Information" and "Financial Statements" on pages 48 and 163, respectively. Also see, "History and Certain Corporate Matters - Subsidiary" on page 142.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in "Risk Factors" and "Forward-Looking Statements" on pages 14 and 13, respectively.

Our audited standalone financial statements for fiscal 2008, 2009, 2010, 2011 and 2012, and for the six months ended September 30, 2012, have been restated in accordance with the SEBI ICDR Regulations. The discussions on our financial condition and results of operations included herein should accordingly be read together with the discussions on restatement adjustments included in " - Adjustment for Restatements" on page 286 and "Annexure IV - Statement of Notes to Restated Summary Statements of the Company" of our Financial Statements on page 172.

Overview

We are one of the leading jewellery companies in India in the organized jewellery retail sector, according to the CARE Report. Our operations include the manufacture, retail and export of jewellery. We believe that we have developed a strong brand in our markets in north and central India. We offer a wide range of products including gold jewellery, diamond jewellery and other jewellery including silver articles, with a focus on diamond jewellery and jewellery for weddings. In fiscal 2012, domestic gold jewellery, diamond jewellery and other jewellery contributed 72.5%, 26.7% and 0.8% respectively, of our revenue from domestic sales. In the six months ended September 30, 2012, domestic gold jewellery, diamond jewellery and other jewellery contributed 67.1%, 32.6% and 0.3%, respectively, of our revenue from domestic sales.

As of September 30, 2012, we had 30 showrooms under the "*PC Jeweller*" brand located across 23 cities in north and central India with an aggregate area of approximately 164,572 sq.ft. All of these showrooms are operated and managed by us, with the exception of our Chandigarh showroom, which is operated and managed by a third party. Of these showrooms, 27 showrooms are large-format (with an area of 3,000 sq.ft. or more), including 11 showrooms which have an area of more than 5,000 sq. ft., of which four showrooms are more than 10,000 sq.ft.. We plan to further expand our showroom network across India, including in southern and western parts of India. We intend to open an additional 20 showrooms by fiscal 2014, all of which are proposed to be financed through the Net Proceeds.

In addition to the sale of jewellery through our showrooms, we also sell gold and diamond jewellery through online sales on our website. We also export gold and diamond jewellery on a wholesale basis to international distributors in Dubai and Hong Kong. In fiscal 2010, 2011, 2012 and in the six months ended September 30, 2012, our export sales represented 33.5%, 34.4%, 33.0% and 32.6%, respectively, of our revenue from operations in these periods.

We have established our own jewellery manufacturing facilities. We have two jewellery manufacturing facilities in Selaqui, Dehradun, Uttarakhand that cater to our sales in India. We have also set-up two jewellery manufacturing facilities at the Noida SEZ, Uttar Pradesh, that cater to our export sales. In addition, in November, 2011, we commenced manufacturing operations at an additional 34,000 sq.ft. jewellery manufacturing facility in Noida, Uttar Pradesh, to further increase our manufacturing capabilities. In fiscal 2012 and for the six months ended September 30, 2012, 4,831.96 kg and 2,725.47 kg of gold, respectively, was processed at our own manufacturing facilities.

Sale of SSPL

Our Company sold its investment in SSPL with effect from April 14, 2012. SSPL was acquired from our Company by certain third party individuals on an arms-length transaction, for an aggregate consideration of ₹ 236 per equity share which is equal to the intrinsic value of the equity shares of SSPL, as confirmed by Sharad Jain Associates, Chartered Accountants, in their certificate dated April 12, 2012.

Our Company had entered into a lease deed dated April 28, 2011 with SSPL pursuant to which our Company has leased the property for our manufacturing facility situated at J-59, Sector 63, Noida, Uttar Pradesh having an aggregate area of 34,000 sq. ft., for a period of three years with effect from May 1, 2011. The lease agreement requires us to pay a monthly rent of ₹ 0.60 million for these premises. Our Company had made certain advances to SSPL in fiscal 2012 for constructing, renovating and furnishing the manufacturing facility situated at J 59, Sector 63, Noida that has been leased by SSPL to our Company. As on March 31, 2012, a principal amount of ₹ 85.76 million was payable by SSPL to our Company. The total outstanding amount (which includes the principle and interest amount), as of September 30, 2012 was ₹ 91.40 million. The loan taken by SSPL from our Company is unsecured. In connection with this loan, our Company has entered into a loan agreement dated April 17, 2012 with SSPL (the "**Loan Agreement**"). Under the terms of the Loan Agreement, SSPL is required to repay, after a period of three years from April 17, 2012, the entire principal amount, together with a simple interest of 10% charged with effect from April 1, 2012, in 14 instalments within seven years, from April 17, 2015. If SSPL defaults in the payment of instalments within 30 days of such instalments becoming due, a penal interest of 12% per annum, compounded half-yearly, is required to be charged on the defaulted amount from the date of such default. However, SSPL is required to continue to make the interest payments during the period in which the principle amount is not being repaid. Under the Loan Agreement, SSPL has agreed to continue to provide corporate guarantee and collateral security in favor of our lenders for our secured financing arrangements. For further information, see "***History and Certain Corporate Matters* −*Subsidiary***" on page 139.

Factors Affecting our Results of Operations

Our results of operations, cash flows and financial condition are affected by a number of factors, including the following:

Expansion of Retail Network

In fiscal 2010, 2011 and 2012, and in the six months ended September 30, 2012, domestic sales represented 66.5%, 65.6%, 67.0% and 67.4%, respectively, of our revenue from operations in these periods and were derived primarily from our retail operations. Our results of operations are dependent on the number, size and location of, and sales from, our showrooms. We have significantly expanded our showroom network from a single showroom as of April 13, 2005 to 30 showrooms across 23 cities in north and central India, as of September 30, 2012. The expansion of our showroom network has been a significant factor in the growth in our overall sales volume. Investments in additional showrooms have also contributed to year-on-year increases in depreciation expenses as our depreciable asset base has grown and has also resulted in an increased need for inventory, raw materials, manpower and additional manufacturing facilities which has increased our costs. Our results of operations are also dependent on the continued operations of our showrooms, including non-termination and renewal of our showroom leases. Our lease agreements typically provide for a periodic increase in rent.

The following table provides certain information on the number of showrooms, income from domestic sales of products and revenue from operations in the periods indicated:

Particulars	Fiscal			Six months ended September 30, 2012
	2010	2011	2012	
Number of showrooms at period end (March 31 and September 30, respectively)	10	17	24	30
Domestic sales (₹ in million)	6,548.98	12,978.16	20,394.90	**12,504.78**
Revenue from operations (₹ in million)	**9,848.47**	**19,770.55**	**30,419.27**	**18,557.00**

We plan to continue to expand our showroom network across India and intend to open an additional 20 showrooms by fiscal 2014, which are proposed to be financed through the Net Proceeds.The success of these expansion plans is however subject to various contingencies, including identification of suitable locations for additional showrooms, obtaining new leases on suitable terms and conditions and other risks associated with commencing operations in a new market, including local competition and unfamiliar business practices and customs. In addition, new showrooms generally record lower sales compared to more established showrooms, and these new showrooms will only contribute to sales for part of the fiscal period in which they are opened. Our future results of operations will therefore also depend on the timing of opening of these new showrooms and how quickly each showroom is able to increase sales to a level that enables such showroom to become profitable.

Availability and Price of Gold and Diamonds

We purchase gold, diamonds and other raw materials such as precious and semi-precious gemstones, silver and platinum for the manufacture of jewellery. We also purchase small quantities of finished jewellery products such as platinum jewellery, silver made-ups and gift articles for resale. Our results of operations are significantly affected by changes in the prices of gold and diamonds.

In the international markets although the demand for gold jewellery declined by 5% in terms of the total amount of gold purchased, the average gold prices increased by 18% in fiscal 2012 compared to fiscal 2011 globally. In India, the depreciation of the rupee against the USD in fiscal 2012 resulted in an increase in the average gold prices by 30% in fiscal 2012 compared to the average price of gold in fiscal 2011. Gold price recorded historic levels of US$1,900.1 per ounce, globally, during the nine months ended December 31, 2011 and in India the gold prices reached upwards of ₹29,295 per 10 grams during the same period. In addition, in the month of June 2012, the gold prices in India had reached the mark of ₹30,000 per 10 grams. *(Source: CARE Report)* Fluctuations in gold prices may affect our results of operations in various ways. An increase in the price of gold may result in an increase in our income from sales assuming such increases do not adversely affect our sales volumes. However, a significant increase in the price of gold or a negative outlook on future gold prices could, in the short term, adversely affect our sales volumes. In order to minimize the risk of gold price fluctuations, under the terms of the gold loan schemes, we typically fix the price of gold purchased from the canalizing agencies or international bullion suppliers, within the applicable credit period, on the basis of the aggregate sales to our customers in the relevant period.

The price of diamonds varies depending on their size, cut, colour and clarity. We source our cut and polished diamonds principally from various diamond traders in India. Our larger diamonds are also imported from Hong Kong and Dubai. Purchase of diamonds is on a fixed payment basis; i.e. the price and the credit period is fixed at the time of purchase. For instance, there has also been a slowdown in the demand of polished diamonds and in the first half of the calendar year 2011, although the prices of polished diamonds of 1 carat increased by 30% to 40% during this period. However, the prices declined by 10% - 12% during the second half of the calendar 2011 and have continued to decline by 3% - 4% in the first half of the calendar year 2012. *(Source: Care Report)* A sudden fall in the market price of diamonds may affect our ability to recover our procurement costs. Conversely, an increase in the price of diamonds could lead to a decrease in demand for diamond jewellery and/or a decrease in our profit margins.

Merchandise Mix

Changes in the relative mix of gold jewellery, diamond jewellery and other jewellery articles have had and are likely to continue to have an impact on our financial condition and results of operations, as each product type has varying profit margins. Diamond jewellery and other precious stone jewellery typically involve higher profit margins compared to ordinary gold jewellery. In fiscal 2010, 2011 and 2012 and the six months ended September 30, 2012, diamond jewellery contributed 16.4%, 18.5%, 33.8% and 32.0%, respectively, of our revenue from operations resulting primarily from an increase in the relative proportion of diamond jewellery sold. The following table sets forth the contribution of each product type to overall sales by product for the periods presented:

Particulars	Fiscal						Six months ended September 30, 2012	
	2010		2011		2012			
	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations	Amount	Percentage of Revenue from Operations
	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)
Gold jewellery[(1)]	8,170.51	83.0	16,027.83	81.1	19,983.75	65.7	12,576.90	67.8
Diamond jewellery	1,619.86	16.4	3,654.49	18.5	10,271.51	33.8	5,941.79	32.0
Other jewellery[(2)]	58.10	0.6	88.23	0.4	164.01	0.5	38.31	0.2
Revenue from operations	**9,848.47**	**100.0**	**19,770.55**	**100.0**	**30,419.27**	**100.0**	**18,557.00**	**100.0**

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and gift articles.

We believe that demand for diamond jewellery in India in recent years has increased at relatively higher rates compared to the demand for gold jewellery. We intend to continue to focus on increasing diamond jewellery production and sales as a proportion of our overall production and sales.

Vertical Integration and Economies of Scale

During fiscal 2007 to fiscal 2012, we have pursued a vertical integration strategy by developing an integrated procurement, manufacturing, domestic and export sales operations, which enable us to realize margins across the jewellery value chain. As of September 30, 2012, we have five manufacturing facilities in India and a significant portion of our jewellery is designed and manufactured at our own manufacturing facilities. In November 2011, we commenced operations at a manufacturing facility with an aggregate area of 34,000 sq.ft. in Noida, Uttar Pradesh to cater to our planned expansion. We believe that our current manufacturing facilities will provide adequate manufacturing capacities for our existing operations and proposed expansion plans, and expect that these facilities will contribute to margin improvement and promote economies of scale. In addition, we also purchase small quantities of other jewellery and articles such as silver made-ups, platinum jewellery and gift articles. In fiscal 2010, 2011, 2012 and in the six months ended September 30, 2012, purchase of traded goods, representing cost of finished jewellery purchased by us, expressed as a percentage of cost of materials consumed in these periods, was 4.3%, 5.6%, 0.1% and 0.02%, respectively.

With the increase in the scale of our operations, we believe we have improved our economies of scale in recent years. Our scale also enables us to successfully negotiate the price of raw materials, including the interest rates for gold procured under the gold loan schemes and the price of diamonds, and engage in flexible inventory management through our large showroom network and manage our inventory holding period, thereby lowering working capital costs. In addition, our expanded retail network and operations is expected to result in significant economies of scale with respect to advertisement and sales promotion expenses as well as general administrative expenses.

Fiscal Incentives

Our operations currently benefit from certain direct tax incentives. Our manufacturing unit located at 142 A/3 Noida SEZ, Uttar Pradesh is exempted from income tax (current tax) till March 31, 2015 and partly exempted till March 31, 2025 under the provisions of Section 10AA of the Income Tax Act while our other manufacturing unit located at 65 Noida SEZ, Uttar Pradesh is partly exempted till March 31, 2022 in accordance with the provisions of Section 10AA of the Income Tax Act. These two facilities commenced operations in fiscal 2011 and fiscal 2008, respectively. Deferred tax pertaining to the above units are recognized on the timing differences being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. In addition, our two manufacturing units located in the notified places as prescribed under section 80IC of the Income Tax Act, 1961 are eligible for a deduction of 100% of the profits and gains of the units for the first five consecutive years and 30% for the next five consecutive years. We are eligible for a deduction of 100% of our profits and gains for the two units until March 31, 2013 and 2014, respectively, and a deduction of 30% of our profits and gains for the two units until March 31, 2018 and 2019, respectively. These units commenced operations in fiscal 2009 and fiscal 2010, respectively. Deferred tax pertaining to these above units are recognized on the timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid.

Further, all of our manufacturing units are subject to a minimum alternative tax regime on the profit recorded by us in accordance with Section 115JB of the Income Tax Act, and we are therefore entitled to only a part of these tax incentives. Our effective tax rates, based on our audited financial information, in fiscal 2010, 2011, 2012 and in the six months ended September 30, 2012, were 13.6%, 11.6%, 13.4% and 20.4%, respectively, significantly lower than the prevailing tax rates that we would have been subjected to in the absence of these tax incentives. In the event that any adverse development in law or manner of implementation affect our ability to benefit from these tax incentives, our results of operations may be adversely affected. For further details, see *"- **Significant Accounting Policies – Taxation**"* on page 284.

Working Capital Requirements and Availability of Funding

Our business requires a substantial amount of working capital, primarily to finance our inventory and debtors. As of September 30, 2012, we had outstanding indebtedness of ₹ 3,304.49 million, with the exception of our vehicle loans, bank overdrafts and working capital demand loans, all of which was subject to floating interest rates. In addition, we have also availed non-fund based credit facilities from our bankers aggregating ₹ 12,668.83 million as of September 30, 2012, which were used to procure gold under the gold loan schemes. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. For example, the RBI had increased the rates of interest on certain occasions such as in August 2012, which led to an increase in our interest costs as a result of an increase in the base lending rate by our lenders. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. In addition, our existing level of indebtedness and non-fund based facilities may also restrict our ability to obtain additional financing for capital expenditures, expansions or general corporate purposes and may cause us to be particularly vulnerable during any general economic downturn.

Further, pursuant to a circular dated December 30, 2010, the RBI has categorized jewellers as a high risk business and, as a result, banks are required to apply enhanced due diligence measures before granting loans to jewellery companies. The success of our business is dependent on our ability to obtain and maintain sufficient cash flow, credit facilities and other sources of funding. Pursuant to the Second Quarter Review of the Monetary Policy, 2012-2013, issued by the RBI on October 30, 2012, the RBI has sought to impose a prohibition on the banks from financing the purchase of gold in any form, other than working capital finance. For further information, see *"**Regulations and Policies in India**"* on page 134.

Consumer Preferences

To compete successfully in our business, we must be able to identify and respond to changing consumer demands and preferences. If we fail to anticipate and meet industry trends and our products do not meet customers' preferences, or if consumer demand for gold jewellery and diamond jewellery decline, our results of operations will be adversely affected. In addition, customer demographics and design preferences vary in our different markets across India and internationally, and our market share and results of operations is also dependent on our ability to develop attractive designs catering to various customer preferences. We believe that India has experienced a significant increase in demand for diamond jewellery in recent years, resulting from a combination of changes in jewellery fashion trends and customer preferences, increased knowledge about and availability of diamond jewellery, and the general increase in income levels in India. We intend to further increase diamond and other precious stone jewellery production and sales as a proportion of our overall production and sales.

Seasonality

Our sales have historically exhibited certain seasonal fluctuations, reflecting higher sales volumes during festivals and other occasions such as Durga Puja, Akshay Tritaya, Dhanteras, Diwali, and Christmas. Historically, sales in the third quarter and fourth quarter have typically been higher than the first quarter and second quarter of the fiscal year. We stock certain inventory to account for this seasonality, while our fixed costs such as lease rentals, employee salaries, showroom operating costs and logistics-related expenses, which form a significant portion of operating costs, are relatively constant throughout the year. Consequently, lower than expected net sales during any third or fourth quarters or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the year, or could strain our resources and impair cash flows. Any slowdown in demand for our jewellery during peak season or failure by us to accurately foresee and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations. The effect of seasonality is expected to further decrease with greater geographical diversification.

General Economic Conditions

Our results of operations are affected by general economic conditions in India and our international markets. Jewellery represents discretionary purchases for consumers and our results of operations are significantly dependent on various factors such as economic growth, employment levels, income levels, tax rates and credit availability, all of which affect consumer spending and disposable income. Any reduction in consumer spending or disposable income or adverse economic conditions or perception thereof may affect us more significantly than companies in other industries. For example, the recent global financial crisis significantly and adversely affected demand for jewellery.

The Indian economy and financial markets have also been significantly impacted by such global economic, financial and market conditions. The Indian economy has shown signs of slowdown in growth over the last few years. India's GDP is projected to grow at a rate of 4.9% in the calendar year 2012 and at the rate of 6.0% in the calendar year 2013. However, the Indian economy is projected to emerge as one of the largest economies in the world in the next decade with an estimated GDP (at current prices) of ₹97,699.84 billion (approximately US$1,946.77 billion) in calendar year 2012 *(Source: International Monetary Fund, World Economic Outlook Database, October 2012 Update).*

We are also currently experiencing various developments adversely affecting the global economy such as rising national fiscal deficits, the downgrading of credit ratings of various significant financial institutions and developed countries including the United States and bailouts for various European Union member states which have damaged investor confidence and caused increased volatility in global and Indian securities markets. Any further financial turmoil, especially in the United States of America and Europe or any failure to agree on recovery solutions may lead to significant disruptions in the global markets, which could continue to have a negative impact on the Indian economy as well and in turn adversely affect the demand for jewellery.

Significant Accounting Policies

Basis of Accounting

The audited financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting standards) Rules 2006 issued by the GoI and the relevant provisions of the Companies Act and the available guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by ICAI in respect of certain derivative instruments. The audited financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by our Company unless otherwise stated.

The restated financial statements of our Company have been prepared to comply in all material respects with the requirements of Part II of Schedule II to the Companies Act and the SEBI ICDR Regulations.

During fiscal 2012, the revised Schedule VI notified under the Companies Act, has become applicable to our Company, for preparation and presentation of our financial statements. The adoption of revised Schedule VI of the Companies Act does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Our Company has accordingly also reclassified the previous years’ figures in accordance with the requirements applicable in fiscal 2012.

Use of Estimates

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

Revenue Recognition

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

In respect of the 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 recognized based on the year end closing gold rate.

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

Valuation of Inventories

Inventories are valued as follows:

- Raw material: Lower of cost or the net realizable value. Cost is determined on a first-in-first-out basis.

- Work-in-progress: At cost up to the estimated stage of completion.

- Finished goods: Lower of cost or net realizable value. Cost includes direct material and labor expenses and an appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

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

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

- Alloys and consumables are charged to the profit and loss account, as restated.

Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the year are recognized in the profit and loss account, as restated.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the year. Differences arising therefrom are recognized in the profit and loss account, as restated.

Forward contracts are entered into to hedge the foreign currency risk of the underlying outstanding assets and liabilities, respectively. The premium or discount on such contracts is amortized as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as an income or expense for the respective periods.

Derivative Instruments

We use foreign exchange forward contracts to hedge our exposure towards highly probable forecast transactions. These foreign exchange forward contracts are not used for trading or speculation purposes. We do a mark-to-market valuation of outstanding forward contracts on highly probable forecast transactions and recognize the unrealized gains and losses as per the available guiding principles of the Accounting Standard 30, "***Financial Instruments- Recognition and Measurement***" issued by the ICAI.

Taxation

Tax expense comprises of current tax, deferred tax and fringe benefit tax.

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

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

Our manufacturing unit located at 142 A/3 Noida SEZ, Uttar Pradesh is exempted from income tax (current tax) till March 31, 2015 and partly exempted till March 31, 2025 under the provisions of Section 10AA of the Income Tax Act while our other manufacturing unit located at 65 Noida SEZ, Uttar Pradesh is partly exempted till March 31, 2022 in accordance with the provisions of Section 10AA of the Income Tax Act. These two facilities commenced operations in fiscal 2011 and fiscal 2008, respectively. Deferred tax pertaining to the above units are recognized on the timing differences being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid.

In addition, our two manufacturing units located in the notified places as prescribed under section 80IC of the Income Tax Act are eligible for a deduction of 100% of the profits and gains of the units for the first five consecutive years and 30% for the next five consecutive years. We are eligible for a deduction of 100% of our profits and gains for the two units until March 31, 2013 and 2014, respectively, and a deduction of 30% of our profits and gains for the two units until March 31, 2018 and 2019, respectively. These units commenced operations in fiscal 2009 and fiscal 2010, respectively. Deferred tax pertaining to these above units are recognized on the timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that we will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the ICAI, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. We review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that we will pay normal income tax during the specified period.

Fringe benefit tax up to March 31, 2009 has been determined in accordance with the provision of section 115WC of the Income Tax Act. No liability for fringe benefit tax has been recorded thereafter due to the abolishment of this tax.

Provisions and Contingencies

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

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

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

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

- present obligation, where a reliable estimate cannot be made in the financial statements.

Cash and cash equivalents

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

Summary Results of Operations

The following is a summary of our profit and loss account as per our restated audited financial statements for the periods indicated:

Particulars	Fiscal 2010 Amount (₹ in million)	Fiscal 2010 Percentage of Revenue from Operations %	Fiscal 2011 Amount (₹ in million)	Fiscal 2011 Percentage of Revenue from Operations %	Fiscal 2012 Amount (₹ in million)	Fiscal 2012 Percentage of Revenue from Operations %	Six months ended September 30, 2012 Amount (₹ in million)	Six months ended September 30, 2012 Percentage of Revenue from Operations %
Revenue								
Revenue from operations	**9,848.47**	**100.0**	**19,770.55**	**100.0**	**30,419.27**	**100.0**	**18,557.00**	**100.0**
Changes in inventories of finished goods and work-in-progress	1,014.47	-	2,157.77	-	6,137.24	-	2,009.40	-
Other Income	181.59	-	167.91	-	185.56	-	76.00	-
Total	**11,044.53**	-	**22,096.23**	-	**36,742.07**	-	**20,642.40**	-
Expenses								
Cost of materials consumed[(1)]	9,196.78	-	18,339.48		31,273.55	-	17,527.64	-
Purchase of traded goods	399.63	4.1	1,029.65	5.2	36.82	0.1	3.26	0.02
Employee benefit expenses	44.21	0.4	76.85	0.4	248.97	0.8	162.28	0.9
Finance costs	382.09	3.9	496.02	2.5	782.55	2.6	590.71	3.2
Depreciation and amortisation expenses	18.58	0.2	29.71	0.2	65.90	0.2	47.57	0.3
Other expenses	237.62	2.4	489.10	2.5	1,684.32	5.5	530.58	2.9
Prior period items	-	-	4.24	0.0	-	-	6.81	0.0
Total	**10,278.91**	-	**20,465.05**	-	**34,092.11**	-	**18,868.85**	-
Profit Before Tax	**765.62**	7.8	**1,631.18**	8.3	**2,649.96**	8.7	**1,773.55**	9.6
Tax								
Current Tax	100.89	1.0	208.28	1.1	534.35	1.8	363.92	2.0
Less: minimum alternate tax credit entitlement	-	-	(25.95)	(0.1)	(193.76)	(0.6)	-	-
Tax earlier years	0.53	0.0	1.38	0.0	(0.07)	(0.0)	-	-

Particulars	Fiscal 2010 Amount (₹ in million)	Fiscal 2010 Percentage of Revenue from Operations %	Fiscal 2011 Amount (₹ in million)	Fiscal 2011 Percentage of Revenue from Operations %	Fiscal 2012 Amount (₹ in million)	Fiscal 2012 Percentage of Revenue from Operations %	Six months ended September 30, 2012 Amount (₹ in million)	Six months ended September 30, 2012 Percentage of Revenue from Operations %
Deferred Tax								
- current year	(0.37)	(0.0)	(0.33)	(0.0)	(3.47)	(0.0)	(3.41)	(0.0)
- prior period	-	-	(0.85)	(0.0)	-	-	-	-
Fringe Benefit Tax	-	-	-	-	-	-	-	-
Profit for the year after tax	**664.57**	6.7	**1,448.65**	7.3	**2,312.91**	7.6	**1,413.04**	7.6
(1) Cost of Materials Consumed includes adjustments for opening and closing stock of raw materials.								

Adjustments for Restatement

The following table sets forth information relating to the restatement adjustments for the periods indicated:

(₹ in million)

Particulars	Fiscal 2010	Fiscal 2011	Fiscal 2012	Six Months ended September 30, 2012
				(₹ in million)
Net profit after tax	**664.57**	**1,448.65**	**2,312.91**	**1,413.04**
Preliminary expenses				
Prior to adjustment entry	0.53	1.61	-	-
Restatement adjustment -Dr/ (Cr)	0.97	(1.61)	-	-
As restated	**1.50**	**-**	**-**	**-**
Gratuity expense				
Prior to adjustment entry	-	3.04	3.23	2.77
Restatement adjustment -Dr/ (Cr)	1.20	(2.64)	-	-
As restated	**1.20**	**0.40**	**3.23**	**2.77**
Depreciation and amortization				
Prior to adjustment entry	18.58	29.71	65.90	47.57
Restatement adjustment -Dr/ (Cr)	(1.40)	(0.23)	(1.56)	-
As restated	**17.18**	**29.48**	**64.34**	**47.57**
Export sales				
Prior to adjustment entry	3,299.49	6,792.39	10,024.37	6,052.22
Restatement adjustment - (Dr)/ Cr	(91.53)	11.67	-	-
As restated	**3,207.96**	**6,804.06**	**10,024.37**	**6,052.22**
Cost of material consumed				
Prior to adjustment entry	9,196.78	18,339.48	31,273.55	17,527.64
Restatement adjustment - Dr/(Cr)	128.59	(436.62)	(0.31)	-
As restated	**9,325.37**	**17,902.86**	**31,273.24**	**17,527.64**
Changes in inventories of finished goods and work in progress				
Prior to adjustment entry	1,014.47	2,157.77	6,137.24	2,009.40
Restatement adjustment - (Dr)/Cr	352.17	(442.44)	5.72	-
As restated	**1,366.64**	**1,715.33**	**6,142.96**	**2,009.40**
Gain/(loss) on foreign currency translation				
Prior to adjustment entry	150.54	89.58	(824.92)	27.27
Restatement adjustment:-				
Restatement of monetary assets and liabilities- - (Dr)/ Cr	(60.85)	83.84	0.16	-
Derivatives - (Dr)/ Cr	80.71	(61.19)	-	-
As restated	**170.40**	**112.23**	**(824.76)**	**27.27**
Tax earlier years				

Particulars	Fiscal			Six Months ended September 30, 2012
	2010	2011	2012	
				(₹ in million)
Prior to adjustment entry	0.53	1.38	(0.07)	-
Restatement adjustment -Dr/ (Cr)	0.93	(1.05)	0.07	-
As restated	**1.46**	**0.33**	**-**	**-**
Gain/(Loss) from Commodity trading in futures, net				
Prior to adjustment entry - Gain/(loss)	8.21	(8.72)	9.91	(9.46)
Restatement adjustment -(Dr)/ Cr	2.68	(0.10)	-	-
As restated	**10.89**	**(8.82)**	**9.91**	**(9.46)**
Bad debts written off				
Prior to adjustment entry	-	1.49	-	-
Restatement adjustment - Dr/ (Cr)	-	(1.49)	-	-
As restated	**-**	**-**	**-**	**-**
Interest expense				
Prior to adjustment entry	295.51	378.10	608.66	485.70
Restatement adjustment - Dr/(Cr)	0.18	3.60	14.73	-
As restated	**295.69**	**381.70**	**623.39**	**485.70**
Prior period expenses				
Prior to adjustment entry	-	4.24	-	6.81
Restatement adjustment - Dr/(Cr)	-	-	-	(6.81)
As restated	**-**	**4.24**	**-**	**-**
Interest on late deposit of advance tax				
Prior to adjustment entry	4.29	7.34	20.72	1.97
Restatement adjustment - Dr/(Cr)	-	-	6.81	-
As restated	**4.29**	**7.34**	**27.53**	**1.97**
Adjustments	**152.71**	**31.80**	**(13.86)**	**6.81**
Tax impact of adjustments				
Income-taxes	(33.31)	(3.61)	1.41	-
Net impact of adjustments on profit	**119.40**	**28.19**	**(12.45)**	**6.81**
Net profit, as restated	**783.97**	**1,476.84**	**2,300.46**	**1,419.85**

The discussions in this Management's Discussion and Analysis of Financial Condition and Results of Operations on our revenue from operations and the various income items are based on our audited financial statements and are subject to restatement adjustments in accordance with the SEBI ICDR Regulations, including restatement adjustments relating to changes in an accounting policy with respect to changes in inventories of finished goods and work-in-progress, sale of goods at prices that are yet to be fixed at the year end, change in policy relating to unrealized gains and losses on outstanding financial instruments and effects of changes in foreign exchange rates.

Similarly, the discussions in this Management's Discussion and Analysis of Financial Condition and Results of Operations on our total expenses and the various expenditure items are based on our audited financial statements and are subject to restatement adjustments in accordance with the SEBI ICDR Regulations, including restatement adjustments primarily relating to changes in accounting policy with respect to: i) purchase of goods at prices that are yet to be fixed at the year-end; (ii) adjustments to the provisional amounts invoiced by the vendor that are recognized based on the year end closing rate of gold; (iii) policy of restating the purchase values as on the date of fixing the price of gold as against restating the same at the time of payment; (iv) policy of recording the interest charge on the purchase of gold from certain nominated agencies on cash basis at the time of making the payment as against apportioning the same over the period; and (v) lease rate adjustments, wherein the impact of the change in the estimated useful life of lease hold improvements has been adjusted in the relevant years with retrospective effect, the accumulated depreciation and net block of the relevant years has also been adjusted and the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007. In addition, we changed our policy for providing for liability towards gratuity in accordance with AS - 15 and also changed our policy relating to the accounting of preliminary expenses in accordance with AS - 26.

For further information on our restatement adjustments, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Notes 3 and 4***" on pages 176 and 178, respectively.

In addition, for further information on our material reclassifications or adjustments, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 5***" on page 179.

Components of Revenue and Expenses

Revenue from Operations

Our revenue from operations comprises domestic and export sales of gold jewellery, diamond jewellery and other jewellery.

Revenue from operations

Most of our revenue is derived from the sale of jewellery manufactured by us at our manufacturing facilities and that manufactured by third party jewellery manufacturers. However, we also sell, in small quantities, jewellery that is purchased by us in finished jewellery form from other jewellery manufacturers.

We focus on jewellery retail and sell gold jewellery (including precious gemstone jewellery), diamond jewellery and other jewellery (including platinum jewellery, silver made ups and gift articles) primarily through our showroom network. We have also sold gold and other jewellery on a wholesale basis within India to other jewellery retailers. However, we have currently discontinued such sales in fiscal 2013 and do not expect our revenue from the sale of gold and other jewellery on a wholesale basis in fiscal 2013 to be significant. In addition to the sales of jewellery through our showrooms, we also sell gold and diamond jewellery through online sales on our website. We also export gold and diamond jewellery on a wholesale basis to international distributors in Dubai and Hong Kong.

The following table sets forth certain information relating to domestic and export sales by product type and as a percentage of revenue from operations for the periods indicated:

Particulars	Fiscal						Six months ended September 30, 2012	
	2010		2011		2012			
	Amount	Percentage of Revenue from operations	Amount	Percentage of Revenue from operations	Amount	Percentage of Revenue from operations	Amount	Percentage of Revenue from operations
	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)	(₹ in million)	(%)
Domestic Sales								
Gold jewellery[(1)]	5,315.58	54.0	9,915.55	50.2	14,789.80	48.6	8,394.85	45.3
Diamond jewellery	1,175.52	11.9	2,974.63	15.0	5,441.28	17.9	4,071.84	21.9
Other jewellery[(2)]	57.88	0.6	87.98	0.4	163.82	0.5	38.09	0.2
Total Domestic Sales	**6,548.98**	**66.5**	**12,978.16**	**65.6**	**20,394.90**	**67.0**	**12,504.78**	**67.4**
Export Sales								
Gold jewellery[(1)]	2,854.93	29.0	6,112.28	30.9	5,193.96	17.1	4,182.06	22.5
Diamond jewellery	444.34	4.5	679.86	3.5	4,830.23	15.9	1,869.94	10.1
Other jewellery[(2)]	0.22	0.0	0.25	0.0	0.18	0.0	0.22	0.0
Total Export Sales	**3,299.49**	**33.5**	**6,792.39**	**34.4**	**10,024.37**	**33.0**	**6,052.22**	**32.6**
Revenue From Operations	**9,848.47**	**100.0**	**19,770.55**	**100.0**	**30,419.27**	**100.0**	**18,557.00**	**100.0**

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and gift articles.

Total

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

Changes in inventories of finished goods and work-in-progress comprises the opening and closing stock of the finished goods manufactured by us and the work-in-progress stock for the periods indicated.

Particulars	Fiscal			Six months ended September 30, 2012
	2010	2011	2012	
				(₹ in million)
Closing Stock				
Finished goods - own manufactured	2,015.86	2,986.91	7,076.43	7,691.65
Work-in-progress	781.52	1,968.24	4,015.96	5,410.14
	2,797.38	**4,955.15**	**11,092.39**	**13,101.79**
Opening Stock				
Finished goods - own manufactured	1,412.57	2,015.86	2,986.91	7,076.43
Work-in-progress	370.34	781.52	1,968.24	4,015.96
	1,782.91	**2,797.38**	**4,955.15**	**11,092.39**
Total	**1,014.77**	**2,157.77**	**6,137.24**	**2,009.40**

Other Income

Other income primarily includes interest income on our fixed deposits with banks and loans to SSPL, gain on foreign exchange translation, commodity trading in futures, insurance claims and other non-operating income. We maintain certain amounts of fixed deposits with banks as margin money to avail certain non-fund limits.

Expenses

Our expenses comprises (i) cost of materials consumed, (ii) purchases of traded goods, (iii) employee benefit expenses, (iv) finance costs, (v) depreciation and amortization expenses, (vi) other expenses and (vii) prior period items.

Cost of Materials Consumed

Cost of materials consumed comprises (i) opening stock and (ii) purchases during the year, as adjusted for any increase or decrease in our inventory closing stock.

Purchases during the year represents the raw materials consumed including the cost of gold, diamond and other raw materials used in the manufacturing of jewellery in our manufacturing facilities.

The following table sets forth certain information on our cost of materials consumed in the periods indicated:

Particulars	Fiscal			Six months ended September 30, 2012
	2010	2011	2012	
	(₹ in million)			
Opening Stock	179.77	558.75	545.78	631.71
Purchases during the year	9,575.76	18,326.51	31,359.48	17,756.88
(Closing stock)	(558.75)	(545.78)	(631.71)	(860.95)
Total	**9,196.78**	**18,339.48**	**31,273.55**	**17,527.64**

Purchase of Traded Goods

Purchase of traded goods comprises the cost of finished gold and diamond jewellery, gold coins and other articles such as silver made ups, platinum jewellery and watches that we purchase in finished form from other jewellery manufacturers. However, we currently only purchase silver made-ups, platinum jewellery and gift articles for resale and have discontinued the purchase of other goods such as gold coins and watches and do not expect our expenditure on the purchases of traded goods in fiscal 2013 to be significant.

Employee Benefit Expenses

Employee benefit expenses comprises salaries, wages and bonus, contributions to gratuity, contributions to provident and other defined contribution funds and staff welfare expenses.

Finance Costs

Finance costs comprise interest expenses relating to our secured and unsecured loans, interest on late deposit of advance tax as well as other bank charges relating to issuance of letters of credit and processing charges.

Other Expenses

Other expenses primarily include net loss on foreign currency translation, advertisement expenses, labour charges, hallmarking charges, packing expenses, rental expenses, electricity and water expenses, discounts provided under our various schemes such as the "Jewels for Less" scheme and commission paid to the third party managing our Chandigarh showroom, security expenses, legal and professional expenses, insurance, and other operational expenses such as travel, communication and business promotion expenses.

Prior Period Items

Prior period items comprise expenses incurred for the six months ended September 30, 2012 amounting to ₹ 6.81 million towards the interest on the late payment of advance tax for fiscal 2012 and ₹ 4.24 million in fiscal 2011 incurred towards certain preliminary expenses for increase in the authorised capital of ₹ 1.61 million and gratuity payment amounting to ₹ 2.63 million.

Year-on-Year Comparison

Our audited financial statements for fiscal 2008, 2009, 2010, 2011 and 2012 and for the six months ended September 30, 2012 have been restated in accordance with the SEBI ICDR Regulations. The Management's Discussion and Analysis of Financial Condition and Results of Operations discussions included herein should accordingly be read together with the discussions on restatement adjustments included in " - ***Adjustment for Restatements***" on page 286 and "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company***" of our Financial Statements on page 172.

Six Months ended September 30, 2012 and Fiscal 2012

Key Developments in the Six Months ended September 30, 2012

In the six months ended September 30, 2012, we expanded our showroom network from 24 showrooms as of March 31, 2012 to 30 showrooms as of September 30, 2012. These six new showrooms were opened in Kanpur (May 2012), Rohtak (May 2012), Rajouri Garden, New Delhi (May 2012), Greater Kailash, New Delhi (June 2012), Kingsway Camp, New Delhi (August 2012) and Indirapuram, Ghaziabad (August 2012). Our results of operations in this period reflects sales from the six new showrooms opened during the six months ended September 30, 2012 and also reflects stabilization of revenues from several showrooms opened during the course of fiscal 2012.

Revenue from Operations

Revenue from operations was ₹ 18,557.00 million in the six months ended September 30, 2012 and ₹ 30,419.27 million in fiscal 2012. In the six months ended September 30, 2012, our revenue from operations reflects the additional domestic sales from our six new showrooms which opened during this period, stabilization of revenue from the showrooms opened during fiscal 2012 as well as an increase in the export sales in this period.

The average price of gold purchased by us for use in our manufacturing process was ₹ 2,809.93 per gram (for 22 carat quality gold) in the six months ended September 30, 2012 and ₹ 2,539.82 per gram (for 22 carat quality gold) in fiscal 2012. During the six months ended September 30, 2012, the price of gold and diamonds increased which also led to an increase in our revenue from operations.

- *Revenue from Domestic Sales*

Particulars	**Fiscal 2012**		**Six months ended September 30, 2012**	
	Amount	**Percentage of Domestic Sales**	**Amount**	**Percentage of Domestic Sales**
	(₹ in million)	**(%)**	**(₹ in million)**	**(%)**
Domestic Sales				
Gold jewellery[(1)]	14,789.80	72.5	8,394.85	67.1
Diamond jewellery	5,441.28	26.7	4,071.84	32.6

Other jewellery(2)	163.82	0.8	38.09	0.3
Domestic sales	**20,394.90**	**100.0**	**12,504.78**	**100.0**

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and gift articles.

Revenue from our domestic sales was ₹ 12,504.78 million in the six months ended September 30, 2012 and ₹ 20,394.90 million in fiscal 2012. Our domestic sales contributed 67.4% of our revenue from operations in the six months ended September 30, 2012 while it contributed 67.0% of our revenue from operations in fiscal 2012. In the six months ended September 30, 2012, the revenue from our domestic sales reflects the sales from the additional six new showrooms that opened during this period, as well as the effect of stabilization of revenues from the seven showrooms opened during fiscal 2012.

- *Revenue from Export Sales*

Particulars	Fiscal 2012		Six months ended September 30, 2012	
	Amount	Percentage of Export Sales	Amount	Percentage of Export Sales
	(₹ in million)	(%)	(₹ in million)	(%)
Export Sales				
Gold jewellery(1)	5,193.96	51.8	4,182.06	69.1
Diamond jewellery	4,830.23	48.2	1,869.94	30.9
Other jewellery(2)	0.18	0.0	0.22	0.0
Export sales	**10,024.37**	**100.0**	**6,052.22**	**100.0**

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and gift articles.

Revenue from exports was ₹ 6,052.22 million in the six months ended September 30, 2012 and ₹ 10,024.37 million in fiscal 2012. Our export sales contributed 32.6% of our revenue from operations in the six months ended September 30, 2012 while it contributed 33.0% of our revenue from operations in fiscal 2012. In the six months ended September 30, 2012, there was an increase in export sales of gold jewellery and diamond jewellery to the international distributors on a wholesale basis.

Total

Changes in Inventories of Finished Goods and Work-In-Progress

Changes in inventories of finished goods and work-in-progress was ₹ 2,009.40 million in the six months ended September 30, 2012 and ₹ 6,137.24 million in fiscal 2012. The changes in inventories of finished goods and work-in-progress during the six months ended September 30, 2012 was on account of our expanded business operations.

Other Income

Other income was ₹ 76.00 million in the six months ended September 30, 2012 and ₹ 185.56 million in fiscal 2012. In the six months ended September 30, 2012, we had recorded interest income on the fixed deposit, loans to others and loan to SSPL amounting to ₹ 44.32 million and a net gain on the foreign currency transaction and translation of ₹ 27.27 million during this period. We maintain certain fixed deposits with banks as margin money to avail certain non-fund facilities.

Expenses

Total expenses was ₹ 18,868.85 million in the six months ended September 30, 2012 and ₹ 34,092.11 million in fiscal 2012. As a percentage of revenue from operations, total expenses was 101.7% in the six months ended September 30, 2012 and 112.1% in fiscal 2012.

Cost of Materials Consumed

Cost of materials consumed was ₹ 17,527.64 million in the six months ended September 30, 2012 and ₹ 31,273.55 million in fiscal 2012. Cost of materials consumed includes adjustments for opening and closing stock of raw materials. The cost of goods sold, which is computed as the cost of materials consumed and purchase of traded goods, as adjusted for changes in inventories of finished goods and work-in-progress was ₹ 15,521.50 million in the six months ended September 30, 2012 and ₹ 25,173.13 million in fiscal 2012. As a percentage of revenue from operations, cost of goods sold was 83.6% in the six months ended September 30, 2012 and 82.8% in fiscal 2012. In the six months ended September 30, 2012, cost of materials consumed increased on account of our expanded business operations as well as the increase in raw material prices, particularly for diamond and gold.

Opening stock of the raw material consumed was ₹ 631.71 million in the six months ended September 30, 2012 and ₹ 545.78 million in fiscal 2012. This increase was primarily due to the increase in our inventory on account of our expanded business operations during this period.

Purchases during the period was ₹ 17,756.88 million in the six months ended September 30, 2012 while it was ₹ 31,359.48 million in fiscal 2012. The purchases during the year as a percentage of revenue from operations was 95.7% in the six months ended September 30, 2012 and 103.1% in fiscal 2012. There was a decline in the purchases in the six months period ended September 30, 2012 as this period was in the non-peak season. Further, the Company had already purchased some of the raw materials to be used for stocking the six new showrooms that opened in the six months ended September 30, 2012 during fiscal 2012. In the six months ended September 30, 2012 and in fiscal 2012, 2,725.47 kg and 4,831.96 kg of gold was consumed at our own manufacturing facilities, respectively. Consumption of gold was ₹ 14,634.77 million in the six months ended September 30, 2012 while it was ₹ 23,563.41 million in fiscal 2012. Volume of gold consumed was 5,214.77 kg of gold (calculated on the basis of 22 carat quality gold) in the six months ended September 30, 2012 while it was 9,313.88 kg of gold (calculated on the basis of 22 carat quality gold) in fiscal 2012. The average price of gold purchased by us for use in our manufacturing process was ₹ 2,809.92 per gram (for 22 carat quality gold) in the six months ended September 30, 2012 and ₹ 2539.82 per gram (for 22 carat quality gold) in fiscal 2012. Similarly, consumption of diamonds was ₹ 2,876.63 million in the six months ended September 30, 2012 while it was ₹ 7,583.06 million in fiscal 2012.

In the six months ended September 30, 2012 and in fiscal 2012, the adjustments for the closing stock was ₹ 860.95 million and ₹ 631.71 million, respectively, primarily due to our expanded business operations and the forthcoming festival season.

Purchase of Traded Goods

Purchase of traded goods was ₹ 3.26 million in the six months ended September 30, 2012 and ₹ 36.82 million in fiscal 2012. The significant comparative decline in the value of purchase of traded goods in the six months ended September 30, 2012 is primarily due to reduction in sales by us of finished/readymade gold and diamond jewellery, gold coins and other articles purchased from other jewellery manufacturers.

Employee Benefit Expenses

Employee benefit expenses were ₹ 162.28 million in the six months ended September 30, 2012 and ₹ 248.97 million in fiscal 2012. As a percentage of revenue from operations, employee benefit expenses were 0.9% in the six months ended September 30, 2012 and 0.8% in fiscal 2012. This increase was primarily due to the increase in the number of our employees at our new showrooms and corporate office, as well as a general increase in salaries, wages and bonus to existing employees and salaries and wages of employees at our new showrooms.

Finance Costs

Finance costs were ₹ 590.71 million in the six months ended September 30, 2012 and ₹ 782.55 million in fiscal 2012. As a percentage of revenue from operations, finance costs were 3.2% and 2.6% in the six months ended September 30, 2012 and fiscal 2012, respectively. Interest expenses were ₹ 485.70 million in the six months ended September 30, 2012 and ₹ 608.66 million in fiscal 2012. This relative increase was due to our Company purchasing additional gold under the gold loan schemes primarily due to the additional showrooms opened during the six months ended September 30, 2102.

Depreciation and Amortization Expense

Depreciation and amortization expense was ₹ 47.57 million in the six months ended September 30, 2012 and ₹ 65.90 million in fiscal 2012. As a percentage of revenue from operations, depreciation and amortization was 0.3% in the six months ended September 30, 2012 and 0.2% in fiscal 2012. This increase in the depreciation and amortization reflects the additional depreciation on account of the internal renovations carried out in our six new showrooms that opened during the six months ended September 30, 2012 period.

Other Expenses

Other expenses were ₹ 530.58 million in the six months ended September 30, 2012 and ₹ 1,684.32 million in fiscal 2012.

Advertising expenses were ₹ 92.76 million in the six months ended September 30, 2012 and ₹ 264.06 million in fiscal 2012. As a percentage of revenue from operations, advertising expenses were 0.5% in the six months ended September 30, 2012 and 0.9% in fiscal 2012. There was a decline in the advertising expenses in the six months ended September 30, 2012 as this period was in the non-peak season. In the six months ended September 30, 2012, we incurred the advertising expenditure on our newly opened showrooms and also made certain investments in nationwide advertising campaigns, advertising our "Jewels for Less" scheme and event sponsorships to promote our brand.

Labour charges were ₹ 109.49 million in the six months ended September 30, 2012 and ₹ 199.97 million in fiscal 2012. As a percentage of revenue from operations, labour charges were 0.6% in the six months ended September 30, 2012 and 0.7% in fiscal 2012. In the six months ended September 30, 2012, this increase in the labour charges was primarily due to the increase in the production of gold and diamond jewellery during this period.

Rental expenses were ₹ 103.76 million in the six months ended September 30, 2012 and ₹ 143.82 million in fiscal 2012. As a percentage of revenue from operations, rental expenses were 0.6% in the six months ended September 30, 2012 and 0.5% in fiscal 2012. In the six months ended September 30, 2012, we incurred increased lease expenses primarily due to the six new showrooms opened during this period, as well as the full year lease expenses for the showrooms opened during the fiscal 2012.

Discounts and commissions were ₹ 58.55 million in the six months ended September 30, 2012 and ₹ 35.75 million in fiscal 2012. As a percentage of revenue from operations, discounts and commissions were 0.3% in the six months ended September 30, 2012 and 0.1% in fiscal 2012. The increase in the discounts and commissions in the six months ended September 30, 2012 is primarily due to the increased participation in the incentive schemes such as the 'Jewels for Less' scheme as well as the free gold coin scheme provided during this period for promoting sales and on account of the commissions paid to the third party managing the showroom at Chandigarh.

Business promotion expenses were ₹ 38.37 million in the six months ended September 30, 2012 and ₹ 21.90 million in fiscal 2012. In the six months ended September 30, 2012, we incurred the business promotion expenses primarily due to an increase in our business operations during this period. As a percentage of revenue from operations, business promotion expenses were 0.2% in the six months ended September 30, 2012 and 0.1% in fiscal 2012.

Electricity and water charges were ₹ 27.56 million in the six months ended September 30, 2012 and ₹ 32.99 million in fiscal 2012. In the six months ended September 30, 2012, we incurred the additional electricity and water expenses as six new showrooms opened during this period.

Security expenses were ₹ 16.58 million in the six months ended September 30, 2012 and ₹ 23.81 million in fiscal 2012. In the six months ended September 30, 2012, we incurred the additional expenses incurred for security arrangements as six new showrooms opened during this period.

As a percentage of revenue from operations, other expenses were 2.9% in the six months ended September 30, 2012 and 5.5% in fiscal 2012, respectively.

Profit before Tax

As a result of the foregoing, profit before tax was ₹ 1,773.55 million in the six months ended September 30, 2012 and ₹ 2,649.96 million in fiscal 2012. As a percentage of revenue from operations, our profit before tax was 9.6% in the six months ended September 30, 2012 and 8.7% in fiscal 2012.

Provision for Tax

Tax expense was ₹ 360.51 million in the six months ended September 30, 2012 and ₹ 337.05 million in fiscal 2012. Our effective tax rate in the six months ended September 30, 2012 was 20.4% and 13.4% in fiscal 2012. Our effective tax rate increased in the six months ended September 30, 2012 as the full exemption from income tax that one of our manufacturing unit located at 65 Noida SEZ, Uttar Pradesh was eligible for, expired on March 31, 2012. This manufacturing unit is currently only partly exempted (amounting to 50.0% exemption from income tax) until March 31, 2022 in accordance with the provisions of Section 10AA of the Income Tax Act.

Profit after Tax

Our profit after tax was ₹ 1,413.04 million in the six months ended September 30, 2012 and ₹ 2,312.91 million in fiscal 2012.

Profit after Tax, as Restated

Our profit after tax, as restated, was ₹ 1,419.85 million in the six months ended September 30, 2012, which was higher than our profit after tax in the six months ended September 30, 2012 by ₹ 6.81 million. This difference was primarily attributable to the restatement adjustment on account of the prior period expenses amounting to ₹ 6.81 million which related to the interest paid on the payment of income tax for fiscal 2012. For further information, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 3***" on page 176.

Our profit after tax, as restated, was ₹ 2,300.46 million in fiscal 2012, which was lower than our profit after tax in fiscal 2012 by ₹ 12.45 million. This difference was primarily attributable to restatement adjustment on account of interest on income tax of ₹ 6.81 million, restatement adjustment on account of changes in inventories of finished goods and work-in-progress of ₹ 5.72 million, restatement adjustment on account of gain on foreign currency translation, net, of ₹ 0.16 million, restatement adjustment on account of tax earlier years of ₹ 0.07 million, restatement adjustment on account of interest expense of ₹ 14.73 million and restatement adjustment on account of tax impact of adjustments of ₹ 1.41 million. This was partly offset by restatement adjustment on account of depreciation and amortisation of ₹ 1.56 million and restatement adjustment on account of cost of material consumed of ₹ 0.31 million. For further information, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 3***" on page 176.

As a percentage of revenue from operations, profit after tax, as restated was 7.6% in the six months ended September 30, 2012 and in fiscal 2012, respectively.

Fiscal 2012 Compared to Fiscal 2011

Key Developments in Fiscal 2012 and 2011

In fiscal 2011, we expanded our showroom network from 10 showrooms as of March 31, 2010 to 17 showrooms as of March 31, 2011. These seven new showrooms were opened in Lucknow (July 2010), Indore (August 2010), Bhopal (September 2010), Raipur (October 2010), Jodhpur (October 2010), Bhilwara (December 2010) and Ludhiana (March 2011). Our results of operations in fiscal 2011 reflects the additional sales from these seven new showrooms opened during fiscal 2011 as well the effect of full year operations of the various showrooms that were opened during the course of fiscal 2010. We also set up an additional manufacturing facility at the Noida SEZ in March 2011 to manufacture jewellery for our export sales.

In fiscal 2012, we further expanded our showroom network from 17 showrooms as of March 31, 2011 to 24 showrooms as of March 31, 2012. The seven new showrooms were opened in Haridwar (July 2011), Bilaspur (July 2011), Pali (August 2011) South Extension (October 2011), Amritsar (October 2011), Beawar (October 2011), and Ajmer (October 2011). In addition in November 2011, we also commenced operations at the 34,000 sq.ft. jewellery manufacturing facility in Noida, Uttar Pradesh, to further enhance our manufacturing capabilities. Our results of operations in fiscal 2012 reflects the additional sales from these seven new showrooms opened during fiscal 2012 as well the effect of full year operations of the various showrooms that were opened during the course of fiscal 2011.

Revenue from Operations

Revenue from operations increased by ₹ 10,648.72 million, or 53.9%, from ₹ 19,770.55 million in fiscal 2011 to ₹ 30,419.27 million in fiscal 2012, primarily due to additional sales from our expanded showroom network from 17 to 24 showrooms. In addition, there was an increase a significant increase in our domestic sales and an increase in our export sales in fiscal 2012 as compared to fiscal 2011.

The average price of gold purchased by us for use in our manufacturing process increased by 43.43% from ₹ 1,770.82 per gram in fiscal 2011 to ₹ 2,539.82 per gram in fiscal 2012, which also contributed to the increase in our sales. The price of diamonds also increased during this period.

- *Revenue from Domestic Sales*

Particulars	**Fiscal**			
	2011		**2012**	
	Amount	**Percentage of Domestic Sales**	**Amount**	**Percentage of Domestic Sales**
	(₹ in million)	**(%)**	**(₹ in million)**	**(%)**
Domestic Sales				
Gold jewellery(1)	9,915.55	76.4	14789.80	72.5
Diamond jewellery	2,974.63	22.9	5,441.28	26.7
Other jewellery(2)	87.98	0.7	163.82	0.8
Domestic sales	**12,978.16**	**100.0**	**20,394.90**	**100.0**

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and gift articles.

Revenue from our domestic sales increased by ₹ 7,416.74 million, or 57.1%, from ₹ 12,978.16 million in fiscal 2011 to ₹ 20,394.90 million in fiscal 2012, reflecting additional sales from the seven new showrooms opened during the course of fiscal 2012 as well as the full year sales from seven showrooms opened during the course of fiscal 2011. In addition, the increase in our domestic sales is also due to our concentration on selling diamond jewellery during this period. Our domestic sales contributed 67.0% of our revenue from operations in fiscal 2012, compared to 65.6% of our revenue from operations in fiscal 2011. Increased revenue from operations at showrooms opened in fiscal 2010, which further established their presence in the market, has also contributed to this rise in revenue.

- *Revenue from Export Sales*

Particulars	**Fiscal**			
	2011		**2012**	
	Amount	**Percentage of Export Sales**	**Amount**	**Percentage of Export Sales**
	(₹ in million)	**(%)**	**(₹ in million)**	**(%)**
Export Sales				
Gold jewellery(1)	6,112.28	90.0	5,193.96	51.8
Diamond jewellery	679.86	10.0	4,830.23	48.2
Other jewellery(2)	0.25	0.00	0.18	0.0
Export sales	**6,792.39**	**100.0**	**10,024.37**	**100.0**

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and gift articles.

Revenue from exports increased ₹ 3,231.98 million, or 47.6% from ₹ 6,792.39 million in fiscal 2011 to ₹ 10,024.37 million in fiscal 2012, primarily due to exports of gold jewellery and diamond jewellery to international distributors in Hong Kong, as well as increased demand from our wholesale customers in Dubai. In addition, the increase in our export sales is also due to our concentration on selling diamond jewellery during this period. Our export sales contributed 33.0% of our revenue from operations in fiscal 2012 compared to 34.4% of our revenue from operations in fiscal 2011.

Total

Changes in Inventories of Finished Goods and Work-in-Progress

Changes in inventories of finished goods and work-in-progress increased by ₹ 3,979.47 million, or 184.4% from ₹ 2,157.77 million in fiscal 2011 compared to ₹ 6,137.24 million in fiscal 2012. This increase was primarily due to our expanded business operations during this period.

Other Income

Other income increased by ₹ 17.65 million, or 10.5%, from ₹ 167.91 million in fiscal 2011 to ₹ 185.56 million in fiscal 2012. This increase was primarily due to an increase in the interest income on fixed deposits by ₹ 92.57 million, or 120.4%, from ₹ 76.88 million in fiscal 2011 to ₹ 169.45 million in fiscal 2012 as well as a gain from commodity trading in futures, net, of ₹ 9.91 million in fiscal 2012 while no such gain was made in fiscal 2011. In addition, there was an interest income on loan to subsidiary of ₹ 3.63 million in fiscal 2012 while no such income was earned in fiscal 2011. These increases were, however, offset in part by net gain in the foreign currency translations of ₹ 89.58 million in fiscal 2011 while there was no net gain in foreign currency translation in fiscal 2012. We maintain certain amounts of fixed deposits with banks as margin money to avail of certain non-fund limits.

Expenses

Total expenses increased by ₹ 13,627.06 million, or 66.6%, from ₹ 20,465.05 million in fiscal 2011 to ₹ 34,092.11 million in fiscal 2012. As a percentage of revenue from operations, total expenses increased from 103.5% in fiscal 2011 to 112.1% in fiscal 2012.

Cost of Material Consumed

Cost of materials consumed increased by ₹ 12,934.07 million, or 70.5%, from ₹ 18,339.48 million in fiscal 2011 to ₹ 31,273.55 million in fiscal 2012, reflecting our expanded operations as well as an increase in the prices of the raw materials purchased during fiscal 2012, particularly gold. Cost of materials consumed includes adjustments for opening and closing stock of raw materials. The cost of goods sold, which is computed as the cost of materials consumed and purchase of traded goods, as adjusted for changes in inventories of finished goods and work-in-progress increased by ₹ 7,961.77 million, or 46.3%, from ₹ 17,211.36 million in fiscal 2011 to ₹ 25,173.13 million in fiscal 2012. As a percentage of revenue from operations, cost of goods sold decreased from 87.1% in fiscal 2011 to 82.8% in fiscal 2012.

The opening stock for the material consumed decreased by ₹ 12.97 million, or 2.3%, from ₹ 558.75 million in fiscal 2011 to ₹ 545.78 million in fiscal 2012, primarily due to better management of our raw material sourcing. The opening stock of raw material consumed as a percentage of revenue from operations was 1.8% in fiscal 2012 compared to 2.8% in fiscal 2011.

Purchases during the year increased by ₹ 13,032.97 million, or 71.1%, from ₹ 18,326.51 million in fiscal 2011 to ₹ 31,359.48 million in fiscal 2012. In fiscal 2012, 4,831.96 kg of gold was consumed at our own manufacturing facilities as compared to 4,386.47 kg of gold in fiscal 2011. Consumption of gold increased by ₹ 8,348.11 million, or 54.87%, from ₹ 15,215.30 million in fiscal 2011 to ₹ 23,563.41 million in fiscal 2012. Volume of gold consumed increased by 5.7% from 8,623.56 kg of gold (calculated on the basis of 22 carat quality gold) in fiscal 2011 to 9,313.88 kg of gold (calculated on the basis of 22 carat quality gold) in fiscal 2012. The average price of gold purchased by us for use in our manufacturing process increased by 43.4% from ₹ 1,770.82 per gram in fiscal 2011 to ₹ 2539.82 per gram in fiscal 2012. Similarly, consumption of diamonds increased by 186.2% from ₹ 2,649.65 million in fiscal 2011 to ₹ 7,583.06 million in fiscal 2012. The purchases during the year as a percentage of revenue from operations increased from 92.7% in fiscal 2011 to 103.1% in fiscal 2012 due to an increase in our business operations and a significant increase in the exports of diamond studded jewellery during this period.

Purchase of Traded Goods

Purchase of traded goods decreased by ₹ 992.83 million, or 96.4%, from ₹ 1,029.65 million in fiscal 2011 to ₹ 36.82 million in fiscal 2012, primarily due to reduction in our sales of finished/readymade gold and diamond jewellery, gold coins and other articles purchased from other jewellery manufacturers. As a percentage of revenue from operations, purchase of traded goods decreased from 5.2% in fiscal 2011 to 0.1% in fiscal 2012.

Employee Benefit Expenses

Employee benefit expenses increased by ₹ 172.12 million, or 224.0%, from ₹ 76.85 million in fiscal 2011 to ₹ 248.97 million in fiscal 2012. This increase was primarily due to an increase in the number of our employees from 887 as at March 31, 2011 to 1,393 as at March 31, 2012, as well as a significant increase in salaries, wages and bonus to existing employees from ₹ 66.83 million in fiscal 2011 to ₹ 226.05 million in fiscal 2012. In addition, there was also an increase in the salary of Mr. Balram Garg, our Managing Director, to ₹ 5.00 million per month plus other benefits, with effect from July 1, 2011. Mr. Balram Garg received an aggregate amount of ₹ 0.13 million as remuneration in fiscal 2011. For further information, see "***Our Management***" and "***Our Promoters and Group Entities***" on pages 144 and 155, respectively. In addition, the staff welfare expenses increased by ₹ 6.71 million, or 117.7%, from ₹ 5.70 million in fiscal 2011 to ₹ 12.41 million in fiscal 2012. As a percentage of revenue from operations, employee benefit expenses was 0.4% 2011 compared to 0.8% in fiscal 2012.

Finance Costs

Finance costs increased by ₹ 286.53 million, or 57.8%, from ₹ 496.02 million in fiscal 2011 to ₹ 782.55 million in fiscal 2012. Interest expenses increased by ₹ 230.56 million, or 61.0%, from ₹ 378.10 million in fiscal 2011 to ₹ 608.66 million in fiscal 2012, reflecting an increase in secured loans from ₹ 1,364.16 million as at March 31, 2011 to ₹ 5,760.69 million as at March 31, 2012. This increase was primarily due to an increase in cash credit facilities availed by us reflecting the significant growth in our operations in fiscal 2012 amounting to ₹ 3,279.73 million compared to ₹ 695.24 million in fiscal 2011. As a percentage of revenue from operations, finance costs increased marginally from 2.5% in fiscal 2011 to 2.6% in fiscal 2012.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by ₹ 36.19 million, or 121.8%, from ₹ 29.71 million in fiscal 2011 to ₹ 65.90 million in fiscal 2012. This increase was primarily the result of depreciation of the internal renovations carried out in our new showrooms in fiscal 2012. As a percentage of revenue from operations, depreciation and amortization was 0.2% in fiscal 2011 and in fiscal 2012, respectively.

Other Expenses

Other expenses increased by ₹ 1,195.22 million, or 244.4%, from ₹ 489.10 million in fiscal 2011 to ₹ 1,684.32 million in fiscal 2012. This increase was primarily due to significant increases in advertisement expenses, labour charges and rental expenses, as well as increases in business promotion expenses, security expenses, discounts and commissions, net loss from commodity trading in futures, and electricity and water. In addition, there was a net loss on foreign currency translation of ₹ 824.92 million in fiscal 2012 primarily due to the difference between the relevant exchange rate as on the date of fixing of the gold rate and the date of actual payment for this gold, and the difference on account of mark-to-market of outstanding forward contracts as on that date and the effect of restatement of monetary assets at the end of the fiscal in accordance with the closing rate of the foreign currency. There was no loss on foreign currency translation in fiscal 2011. As a percentage of revenue from operations, the net foreign currency translation loss was 2.7% in fiscal 2012.

Advertising expenses increased by ₹ 141.5 million, or 115.5%, from ₹ 122.56 million in fiscal 2011 to ₹ 264.06 million in fiscal 2012 primarily due to substantial advertising expenditure on newly opened showrooms. In both fiscal 2011 and fiscal 2012, we made significant investments in nationwide advertising campaigns and event sponsorships to promote our brand. As a percentage of revenue from operations, advertising expenses was 0.6% in fiscal 2011 and 0.9% in fiscal 2012.

Labour charges increased by ₹ 26.22 million, or 15.1%, from ₹ 173.75 million in fiscal 2011 to ₹ 199.97 million in fiscal 2012 primarily due to increase in the production of gold and diamond jewellery during this period. As a percentage of revenue from operations, labour charges decreased to 0.7% in fiscal 2012 from 0.9% in fiscal 2011.

Rental expenses increased by ₹ 79.18 million, or 122.5%, from ₹ 64.64 million in fiscal 2011 to ₹ 143.82 million in fiscal 2012, reflecting lease expenses for the seven new showrooms opened in fiscal 2012, as well as the full year lease expenses for the showrooms opened during the course of fiscal 2011. As a percentage of revenue from operations, rental expenses increased from 0.3% in fiscal 2011 to 0.5% in fiscal 2012.

Business promotion expenses increased by ₹ 16.81 million, or 330.3%, from ₹ 5.09 million in fiscal 2011 to ₹ 21.90 million in fiscal 2012, is in line with our increase in our business operations during the period.

Discounts and commissions also increased by ₹ 20.31 million, or 131.5%, from ₹ 15.44 million in fiscal 2011 to ₹ 35.75 million in fiscal 2012. This increase is primarily due to the commissions paid to the third party managing the showroom at Chandigarh in fiscal 2011 and 2012 and an increase in sales under our "Jewels for Less" scheme and the corresponding discounts provided under this scheme.

Electricity and water charges increased by ₹ 14.14 million, or 75.0%, from ₹ 18.85 million in fiscal 2011 to ₹ 32.99 million in fiscal 2012, reflecting the additional electricity and water expenses incurred at the seven new showrooms and full year expenses of seven new showrooms opened in fiscal 2011.

Security expenses increased by ₹ 10.86 million, or 83.9%, from ₹ 12.95 million in fiscal 2011 to ₹ 23.81 million in fiscal 2012, reflecting additional expenses incurred for security arrangements at the seven new showrooms and full year expenses of seven new showrooms opened in fiscal 2011.

Travelling and conveyance, rates and taxes, packing expenses, hallmarking charges and communication expenses also increased in fiscal 2012 compared to that in fiscal 2011, reflecting our expanded operations.

As a percentage of revenue from operations, other expenses was 2.5% and 5.5% in fiscal 2011 and 2012, respectively.

Profit before Tax

As a result of the foregoing, profit before tax increased by ₹ 1,018.78 million, or 62.5%, from ₹ 1,631.18 million in fiscal 2011 to ₹ 2,649.96 million in fiscal 2012. As a percentage of revenue from operations, our profit before tax increased from 8.3% in fiscal 2011 to 8.7% in fiscal 2012.

Provision for Tax

Tax expense increased by ₹ 154.52 million, or 84.7%, from ₹ 182.53 million in fiscal 2011 to ₹ 337.05 million in fiscal 2012. This increase was primarily due to higher taxes paid on account of higher profits. Our effective tax rate in fiscal 2011 was 11.6% as compared 13.4% in fiscal 2012.

Profit after Tax

Our profit after tax increased by ₹ 864.26 million, or 59.66%, from ₹ 1,448.65 million in fiscal 2011 to ₹ 2,312.91 million in fiscal 2012.

Profit after Tax, as Restated

Our profit after tax, as restated, was ₹ 2,300.46 million in fiscal 2012, which was lower than our profit after tax in fiscal 2012 by ₹ 12.45 million. This difference was primarily due to restatement adjustment on account of interest on income tax of ₹ 6.81 million, restatement adjustment on account of interest expense of ₹ 14.73 million, restatement adjustment on account of changes in inventories of finished goods and work-in-progress of ₹ 5.72 million, restatement adjustment on account of gain on foreign currency translation, net, of ₹ 0.16 million, restatement adjustment on account of tax earlier years of ₹ 0.07 million, and restatement adjustment on account of tax impact of adjustments of ₹ 1.41 million. This was partly offset by restatement adjustment on account of depreciation and amortisation of ₹ 1.56 million and restatement adjustment on account of cost of material consumed of ₹ 0.31 million. For further information, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 3***" on page 176.

Our profit after tax, as restated, was ₹ 1,476.84 million in fiscal 2011, which was higher than our profit after tax in fiscal 2011 by ₹ 28.19 million. This difference was primarily due to restatement adjustment on account of export sales of ₹ 11.67 million, restatement adjustment on account of gain on foreign currency translation, net, of ₹ 22.65 million and adjustment on account of interest expense of ₹ 3.60 million. This was partly offset by restatement adjustment on account of preliminary expenses of ₹ 1.61 million, restatement adjustment on account of gratuity expenses of ₹ 2.64 million, restatement adjustment on account of depreciation and amortisation of ₹ 0.23 million, restatement adjustment on account of cost of materials consumed of ₹ 436.62 million, restatement adjustment on account of changes in inventories of finished goods and work-in-progress of ₹ 442.44 million, restatement adjustment on account of tax earlier years of ₹ 1.05 million, restatement adjustment on account of loss from commodity trading in futures, net, of ₹ 0.10 million, restatement adjustment on account of bad debts written-off of ₹ 1.49 million and restatement adjustment on account of tax impact of adjustments of ₹ 3.61 million. For further information, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 3***" on page 176.

As a percentage of revenue from operations, profit after tax, as restated increased from 7.3% in fiscal 2011 to 7.6% in fiscal 2012.

Fiscal 2011 Compared to Fiscal 2010

Key Developments in Fiscal 2010 and 2011

In fiscal 2010, we expanded our showroom network, from five showrooms as of March 31, 2009 to 10 showrooms as of March 31, 2010. These five new showrooms were opened in Pitampura in Delhi (April 2009), Chandigarh (September 2009), Preet Vihar in Delhi (March 2010), Ghaziabad (March 2010) and Gurgaon (March 2010).

In fiscal 2011, we expanded our showroom network, from 10 showrooms as of March 31, 2010 to 17 showrooms as of March 31, 2011. These seven new showrooms were opened in Lucknow (July 2010), Indore (August 2010), Bhopal (September 2010), Raipur (October 2010), Jodhpur (October 2010), Bhilwara (December 2010) and Ludhiana (March 2011). Our results of operations in fiscal 2011 reflects the additional sales from these seven new showrooms opened during fiscal 2011 as well the effect of full year operations of the various showrooms that were opened during the course of fiscal 2010. We commenced wholesale exports to Hong Kong and Singapore in March 2011 and also continued to export to distributors in Dubai. We also set up an additional manufacturing facility at the Noida SEZ in March 2011 to cater to our export sales.

Revenue from Operations

Revenue from operations increased by ₹ 9,922.08 million, or 100.7%, from ₹ 9,848.47 million in fiscal 2010 to ₹ 19,770.55 million in fiscal 2011, primarily due to additional sales from our expanded showroom network from 10 to 17 showrooms. In addition, there was an increase in our export sales in fiscal 2011 as compared to fiscal 2010.

- *Revenue from Domestic Sales*

Particulars	**Fiscal**			
	2010		**2011**	
	Amount	**Percentage of Domestic Sales**	**Amount**	**Percentage of Domestic Sales**
	(₹ in million)	**(%)**	**(₹ in million)**	**(%)**
Domestic Sales				
Gold jewellery(1)	5,315.58	81.2	9,915.55	76.4
Diamond jewellery	1,175.52	17.9	2,974.63	22.9
Other jewellery(2)	57.88	0.9	87.98	0.7
Domestic sales	**6,548.98**	**100.0**	**12,978.16**	**100.0**

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and watches.

Revenue from our domestic operations increased by ₹ 6,429.18 million, or 98.2%, from ₹ 6,548.98 million in fiscal 2010 to ₹ 12,978.16 million in fiscal 2011, reflecting additional sales from the seven new showrooms opened during the course of fiscal 2011 as well as the full year sales from four of the five showrooms opened during the course of fiscal 2010. Our domestic sales contributed 65.6% of our revenue from operations in fiscal 2011, compared to 66.5% of our revenue from operations in fiscal 2010. Increased sales at showrooms opened in fiscal 2009, which further established their presence in the market, has also contributed to this rise in income.

- *Revenue from Export Sales*

Particulars	**Fiscal**

	2010		2011	
	Amount	Percentage of Export Sales	Amount	Percentage of Export Sales
	(₹ in million)	(%)	(₹ in million)	(%)
Export Sales				
Gold jewellery[(1)]	2,854.93	86.5	6,112.28	90.0
Diamond jewellery	444.34	13.5	679.86	10.0
Other jewellery[(2)]	0.22	0.0	0.25	0.0
Export sales	**3,299.49**	**100.0**	**6,792.39**	**100.0**

(1) Includes precious and semi-precious stone-studded gold jewellery and gold articles.
(2) Includes platinum jewellery, silver made-ups and watches.

Revenue from exports increased by ₹ 3,492.90 million, or 105.9% from ₹ 3,299.49 million in fiscal 2010 to ₹ 6,792.39 million in fiscal 2011, primarily due to commencement of exports of gold jewellery and diamond jewellery to international distributors in Hong Kong and Singapore, as well as increased demand from our wholesale customers in Dubai. Our export sales contributed 34.4% of our revenue from operations in fiscal 2011 compared to 33.5% of our revenue from operations in fiscal 2010.

Total

Changes in Inventories of Finished Goods and Work-in-Progress

Changes in inventories of finished goods and work-in-progress increased by ₹ 1,143.30 million, or 112.7% from ₹ 1,014.47 million in fiscal 2010 compared to ₹ 2,157.77 million in fiscal 2011. This increase was primarily due to an increase in the closing and opening stock of the finished goods - own manufactured and work-in-progress in fiscal 2011 compared to fiscal 2010.

Other Income

Other income decreased by ₹ 13.68 million, or 7.5%, from ₹ 181.59 million in fiscal 2010 to ₹ 167.91 million in fiscal 2011. This decrease was primarily the result of a gain from foreign currency fluctuation of ₹ 89.58 million in fiscal 2011 as compared to ₹ 150.54 million in fiscal 2010, as well as a gain from commodity trading in futures of ₹ 8.21 million in fiscal 2010 while no such gain was made in fiscal 2011. These decreases were offset in part by an increase in interest on fixed deposits by ₹ 56.74 million, or 281.7%, from ₹ 20.14 million in fiscal 2010 to ₹ 76.88 million in fiscal 2011. We maintain certain amounts of fixed deposits with banks as margin money to avail of certain non-fund limits.

Expenses

Total expenses increased by ₹ 10,186.14 million, or 99.1%, from ₹ 10,278.91 million in fiscal 2010 to ₹ 20,465.05 million in fiscal 2011. As a percentage of revenue from operations, total expenses decreased from 104.4% in fiscal 2010 to 103.5% in fiscal 2011.

Cost of Material Consumed

Cost of materials consumed increased by ₹ 9,142.70 million, or 99.4%, from ₹ 9,196.78 million in fiscal 2010 to ₹ 18,339.48 million in fiscal 2011, reflecting our expanded operations as well as the increase in raw material prices, particularly for gold. Cost of materials consumed includes adjustments for opening and closing stock of raw materials. The cost of goods sold, which is computed as the cost of materials consumed and purchase of traded goods, as adjusted for changes in inventories of finished goods and work-in-progress increased by ₹ 8,629.42 million, or 100.6%, from ₹ 8,581.94 million in fiscal 2010 to ₹ 17,211.36 million in fiscal 2011. As a percentage of revenue from operations, cost of goods sold was from 87.1% in fiscal 2010 and 2011, respectively.

The opening stock for the material consumed increased by ₹ 378.98 million, or 210.8%, from ₹ 179.77 million in fiscal 2010 to ₹ 558.75 million in fiscal 2011, primarily due to the increase in our inventory on account of the expanded business operations during this period. The opening stock of raw material consumed as a percentage of revenue from operations was 2.8% in fiscal 2011 compared to 1.8% in fiscal 2010.

Purchases during the year increased by ₹ 8,750.75 million, or 91.4%, from ₹ 9,575.76 million in fiscal 2010 to ₹ 18,326.51 million in fiscal 2011. In fiscal 2011, 4,386.47 kg of gold was consumed at our own manufacturing facilities. Consumption of gold increased by ₹ 8,214.06 million, or 117.3%, from ₹ 7,001.24 million in fiscal 2010 to ₹ 15,215.30 million in fiscal 2011. Volume of gold consumed increased by 70.6% from 5,053.76 kg of gold (calculated on the basis of 22 carat quality gold) in fiscal 2010 to 8,623.56 kg of gold (calculated on the basis of 22 carat quality gold) in fiscal 2011. The average price of gold purchased by us for use in our manufacturing process increased by 27.0% from ₹ 1,394.20 per gram in fiscal 2010 to ₹ 1,770.82 per gram in fiscal 2011. Similarly, consumption of diamonds increased by 59.9% from ₹ 1,656.97 million in fiscal 2010 to ₹ 2,649.65 million in fiscal 2011. The total purchases during the year as a percentage of revenue from operations decreased from 97.2% in fiscal 2010 to 92.7% in fiscal 2011 due to an increase in the opening stock.

Purchase of Traded Goods

Purchase of traded goods increased by ₹ 630.02 million, or 157.6%, from ₹ 399.63 million in fiscal 2010 to ₹ 1,029.65 million in fiscal 2011, primarily due to an increase in the amount of finished gold jewellery purchased. As a percentage of revenue from operations, purchase of traded goods increased from 4.1% in fiscal 2010 to 5.2% in fiscal 2011.

Employee Benefit Expenses

Employee benefit expenses increased ₹ 32.64 million, or 73.8%, from ₹ 44.21 million in fiscal 2010 to ₹ 76.85 million in fiscal 2011. This increase was due to an increase in the number of our employees from 445 as at March 31, 2010 to 887 as at March 31, 2011, as well as a general increase in salaries, wages and bonus to existing employees from ₹ 40.60 million in fiscal 2010 to ₹ 66.83 million in fiscal 2011. In addition, staff welfare expenses increased by ₹ 3.83 million, or 204.8%, from ₹ 1.87 million in fiscal 2010 to ₹ 5.70 million in fiscal 2011. However, as a percentage of revenue from operations, employee benefit expenses decreased from 0.5% in fiscal 2010 to 0.4% in fiscal 2011.

Finance Costs

Finance charges increased by ₹ 113.93 million, or 29.8%, from ₹ 382.09 million in fiscal 2010 to ₹ 496.02 million in fiscal 2011. Interest expenses increased by ₹ 82.59 million, or 27.9%, from ₹ 295.51 million in fiscal 2010 to ₹ 378.10 million in fiscal 2011, reflecting an increase in secured loans from ₹ 801.16 million as of March 31, 2010 to ₹ 1,364.16 million as at March 31, 2011. This increase was primarily due to the cash credit facilities availed during fiscal 2011. In addition, we utilized certain non-funded limits as our sanctioned limits increased during fiscal 2010. As a percentage of revenue from operations, finance costs decreased from 3.9% in fiscal 2010 to 2.5% in fiscal 2011.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by ₹ 11.13 million, or 59.9%, from ₹ 18.58 million in fiscal 2010 to ₹ 29.71 million in fiscal 2011. This increase was primarily the result of depreciation of the internal renovations carried out in our new showrooms in fiscal 2011. As a percentage of revenue from operations, depreciation and amortization was 0.2% in fiscal 2010 and fiscal 2011, respectively.

Other Expenses

Other expenses increased by ₹ 251.48 million, or 105.8%, from ₹ 237.62 million in fiscal 2010 to ₹ 489.10 million in fiscal 2011. This increase was primarily due to increases in advertisement expenses, labour charges and rental expenses, as well as increases in security expenses, discounts and commissions, net loss from commodity trading in futures and electricity and water.

Advertising expenses increased by ₹ 61.37 million, or 100.3%, from ₹ 61.19 million in fiscal 2010 to ₹ 122.56 million in fiscal 2011 due to substantial advertising expenditure on newly opened showrooms. Further in fiscal 2010 and fiscal 2011, we made significant investments in nationwide advertising campaigns and event sponsorships to promote our brand. As a percentage of revenue from operations, advertising expenses was 0.6% in fiscal 2010 and fiscal 2011, respectively.

Labour charges increased by ₹ 98.19 million, or 129.9%, from ₹ 75.56 million in fiscal 2010 ₹ 173.75 million in fiscal 2011 primarily due to the labour charges incurred on the manufacture of jewellery outsourced to third parties, where we provide such manufacturers with design and the required raw materials. As a percentage of revenue from operations, labour charges was 0.8% in fiscal 2010 and 0.9% in fiscal 2011.

Rental expenses increased by ₹ 37.12 million, or 134.9%, from ₹ 27.52 million in fiscal 2010 to ₹ 64.64 million in fiscal 2011, reflecting lease expenses for the seven new showrooms opened in fiscal 2011, as well as the full year lease expenses for the showrooms opened during the course of fiscal 2010. Discounts and commissions also increased by ₹ 8.25 million, or 114.7%, from ₹ 7.19 million in fiscal 2010 to ₹ 15.44 million in fiscal 2011. We commenced operations of our Chandigarh showroom in September 2009 and paid commission for the full year to the third party managing the showroom in fiscal 2011 as compared to the commission for seven months in fiscal 2010.

Security expenses increased by ₹ 6.80 million, or 110.6%, from ₹ 6.15 million in fiscal 2010 to ₹ 12.95 million in fiscal 2011, reflecting additional expenses incurred for security arrangements at the seven new showrooms.

Electricity and water charges, travelling and conveyance, packing expenses and communication expenses also increased in fiscal 2011 compared to that in fiscal 2010, reflecting our expanded operations.

Net loss from commodity trading in futures was ₹ 8.72 million in fiscal 2011 as compared to nil in fiscal 2010.

This increase was partly offset by decrease in the business promotion expenses by ₹ 2.3 million, or 31.1%, from to ₹ 7.39 million in fiscal 2010 to ₹ 5.09 million in fiscal 2011.

As a percentage of revenue from operations, other expenses was 2.4% in fiscal 2010 and 2.5% in fiscal 2011.

Profit before Tax

As a result of the foregoing, profit before tax increased by ₹ 865.56 million, or 113.1%, from ₹ 765.62 million in fiscal 2010 to ₹ 1,631.18 million in fiscal 2011. As a percentage of revenue from operations, our profit before tax increased from 7.8% in fiscal 2010 to 8.3% in fiscal 2011.

Provision for Tax

Tax expense increased by ₹ 81.48 million, or 80.6%, from ₹ 101.05 million in fiscal 2010 to ₹ 182.53 million in fiscal 2011. This increase was primarily due to higher taxes paid on account of higher profits. Our effective tax rate was 13.6% in fiscal 2010 compared to 11.6% in fiscal 2011.

Profit after Tax

Our profit after tax increased by ₹ 784.08 million, or 118.0%, from ₹ 664.57 million in fiscal 2010 to ₹ 1,448.65 million in fiscal 2011.

Profit after Tax, as Restated

Our profit after tax, as restated, was ₹ 1,476.84 million in fiscal 2011, which was higher than our profit after tax in fiscal 2011 by ₹ 28.19 million. This difference was primarily due to restatement adjustment on account of gain on foreign currency translation, net, of ₹ 22.65 million, restatement adjustment on account of export sales of ₹ 11.67 million and adjustment on account of interest expense of ₹ 3.60 million. This was partly offset by restatement adjustment on account of preliminary expenses of ₹ 1.61 million, restatement adjustment on account of gratuity expenses of ₹ 2.64 million, restatement adjustment on account of depreciation and amortisation of ₹ 0.23 million, restatement adjustment on account of cost of materials consumed of ₹ 436.62 million, restatement adjustment on account of changes in inventories of finished goods and work-in-progress of ₹ 442.44 million, restatement adjustment on account of tax earlier years of ₹ 1.05 million, restatement adjustment on account of loss from commodity trading in futures, net, of ₹ 0.10 million, restatement adjustment on account of bad debts written-off of ₹ 1.49 million and restatement adjustment on account of tax impact of adjustments of ₹ 3.61 million. For further information, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 3***" on page 176.

Our profit after tax, as restated, was ₹ 783.97 million in fiscal 2010, which was higher than our profit after tax in fiscal 2010 by ₹ 119.40 million. This difference was primarily due to the restatement adjustment on account of preliminary expenses of ₹ 0.97 million, restatement adjustment on account of gratuity expenses of ₹ 1.20

million, restatement adjustments on account of cost of material consumed of ₹ 128.59 million, restatement adjustments on account of changes in inventories of finished goods and work-in-progress of ₹ 352.17 million, restatement adjustment on account of gain on foreign currency translation, net, of ₹ 19.86 million, restatement adjustment on account of income tax for the earlier years of ₹ 0.93 million, restatement adjustment on account of gain from commodity trading in futures, net, of ₹ 2.68 million and restatement adjustment on account of interest expense of ₹ 0.18 million, which was partly offset by depreciation and amortization of ₹ 1.40 million, restatement adjustment on account of export sales of ₹ 91.53 million, and restatement adjustments on account of tax impact of ₹ 33.31 million. For further information, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 3***" on page 176.

As a percentage of revenue from operations, profit after tax, as restated decreased from 8.0% in fiscal 2010 to 7.5% in fiscal 2011.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital requirements. Our business requires a substantial amount of working capital to finance our inventory and debtors. As of March 31, 2012 and September 30, 2012, our outstanding indebtedness was ₹ 5,751.16 million and ₹ 3,756.28 million, respectively, with the exception of our vehicle loans. As of September 30, 2012, all of our short-term outstanding indebtedness (excluding bank overdrafts) is secured while all of our short-term outstanding indebtedness is payable on demand. For further information, see " ***– Indebtedness***" and "***Financial Indebtedness***" on pages 306 and 271, respectively.

In addition, as of September 30, 2012, we have availed non-fund based credit facilities from our bankers amounting to ₹ 12,668.83 million, which were used by us to procure gold under the gold loan schemes. We source gold for our operations from canalizing agencies or international bullion suppliers and benefit from significantly lower interest rates under prevailing gold loan schemes as compared to the interest rates payable under fund-based loans. By procuring gold under the gold loan schemes, we are able to fix the price of gold on the basis of the actual price at which we sell the gold jewellery to our customers within the applicable credit period, thereby minimizing any risk to us relating to gold price fluctuations in the period between the procurement of the gold and the sale of the finished gold jewellery to our customers. In addition, under such gold loan schemes we typically issue letters of credit against margin money in the form of fixed deposits in favour of the canalizing agencies or international bullion suppliers and hence have reduced our dependence on the use of fund-based credit facilities. In the event of any adverse regulatory development or in the event that we are otherwise not able to procure gold under such gold loan schemes, we may not be able to benefit from such lower interest rates or the ability to fix the price within the specified credit period at the same price at which we sell gold jewellery to our customers. Furthermore, under our agreements with canalizing agencies and international bullion suppliers, if we fail to fix the price of the gold within the relevant credit period we will be deemed to have purchased such gold at the prevailing price at the end of the credit period, thereby depriving us of the benefit of the gold loan schemes and exposing us to market risk on fluctuations in the price of gold. For example, in the last quarter of fiscal 2009 and the first quarter of fiscal 2010 we were unable to procure gold on a loan basis under the gold loan schemes and had to purchase such gold on an outright basis as a result of international gold bullion suppliers' refusal to extend credit. Further pursuant to the Second Quarter Review of the Monetary Policy, 2012-2013, issued by the RBI on October 30, 2012, the RBI has sought to impose a prohibition on the banks from financing the purchase of gold in any form, other than working capital finance. For further information, see "***Risk Factors - We obtain most of our gold under gold loan schemes, which are governed by specific conditions of the Ministry of Commerce and Industry, Government of India, and the applicable RBI regulations. Any adverse change in the regulations that govern such arrangements or any event due to which we are not able to procure gold under the gold loan schemes using non-fund based credit facilities may materially and adversely affect our business, financial condition and results of operation.***" on page 17.

Further, according to a circular dated December 30, 2010, the RBI has categorized jewelers as a high risk business and, as a result, banks are required to apply enhanced due diligence measures before granting loans.

We believe that our cash flow from operations, the net proceeds of the Issue and our borrowings will be sufficient to provide us with the funds for our working capital and capital expenditure requirements for at least the next 12 months. In the future, as we expand our business, our capital needs will increase and we may need to raise additional capital through further debt finance and additional issues of Equity Shares.

Cash Flows

The following table sets forth selected items from our restated cash flow statement for the periods indicated:

Particulars	Fiscal			Six months ended September 30, 2012
	2010	2011	2012	
				(₹ in million)
Net cash generated from/(used in) operating activities	1,700.88	(293.31)	(3,377.05)	3,252.72
Net cash generated from/(used in) investing activities	(110.73)	(116.28)	(378.99)	(68.76)
Net cash generated from/(used in) financing activities	(1,373.76)	192.43	3,678.44	(2,504.21)
Net increase / (decrease) in cash and cash equivalents	216.39	(217.16)	(77.60)	679.75

Operating Activities

Net cash generated from operating activities was ₹ 3,252.72 million in the six months ended September 30, 2012, although net profit before tax, as restated was ₹ 1,780.36 million in such period. The difference was primarily attributable to an increase in trade payables amounting to ₹ 4,681.30 million, an increase towards interest expense of ₹ 487.67 million, direct taxes paid of ₹ 418.26 million, an increase in other current liabilities amounting to ₹ 154.22 million, unrealised foreign exchange gain amounting to ₹ 160.57 million and due to an increase in depreciation and amortisation amounting to ₹ 47.57 million. This increase was offset in part by an increase in inventories amounting to ₹ 2,238.64 million, an increase in loan and advances of ₹ 778.54 million primarily due to an increase in the advance to suppliers amounting to ₹ 686.49 million, an increase in trade receivables of ₹ 258.54 million primarily due to increase in sales, the security deposits paid towards the lease of the six new showrooms opened during this period and a MAT credit entitlement amounting to ₹ 210.63 million and interest income on fixed deposits of ₹ 40.02 million.

Net cash used in operating activities was ₹ 3,377.05 million in fiscal 2012, although net profit before tax, as restated was ₹ 2,636.10 million in such period. The difference was primarily attributable to an increase in inventories amounting to ₹ 6,229.18 million, an increase in trade receivable of ₹ 2,449.23 million primarily due to the increase in sales, an increase in loan and advances of ₹ 588.29 million primarily due to an increase in the capital advances amounting to ₹ 217.55 million, the security deposits paid towards the lease of the seven new showrooms opened during the fiscal year and a MAT credit entitlement amounting to ₹ 219.70 million, unrealised foreign exchange loss of ₹ 272.47 million and an interest income on fixed deposits of ₹ 169.45 million. This was offset in part by an increase in depreciation and amortisation of ₹ 64.34 million, direct taxes paid of ₹ 161.57 million, decrease in other assets amounting to ₹ 72.09 million, increase in trade payable amounting to ₹ 1,842.07 million, increase in other current liabilities of ₹ 681.20 million and an interest expense amounting to ₹ 650.92 million.

Net cash used in operating activities was ₹ 293.31 million in fiscal 2011, although net profit before tax, as restated was ₹ 1,662.98 million in such period. The difference was primarily attributable to an increase in inventories of ₹ 1,713.12 million due to the addition of seven new showrooms, an increase in trade receivable of ₹ 1,761.14 million primarily due to an increase in exports, an increase in loans and advances of ₹ 239.57 million primarily due to an increase in the security deposits paid towards the lease of the seven new showrooms opened during the fiscal year and a MAT credit entitlement amounting to ₹ 25.95 million, unrealized foreign exchange gain of ₹ 137.67 million, interest income of ₹ 76.88 million from our fixed deposits with banks and an increase in other assets of ₹ 9.49 million, offset in part by an increase in trade payables of ₹ 1,669.31 million primarily due to an increase in the purchase of raw materials during this period, an increase in other current liabilities of ₹ 76.03 million, primarily due to an increase in our statutory liabilities relating to the employee benefits and payments towards tax liabilities for fiscal 2010, interest expense of ₹ 389.04 million towards working-capital loans from banks, direct taxes paid of ₹ 183.04 million and depreciation and amortization of ₹ 29.48 million.

Net cash generated from operating activities was ₹ 1,700.88 million in fiscal 2010, although net profit before tax, as restated was ₹ 918.33 million in such period. The difference was primarily attributable to an increase in trade payables amounting to ₹ 3,282.35 million, primarily due to an increase in our statutory liabilities relating to the employee benefits and payments towards tax liabilities for fiscal 2009 resulting from our expanded business operations, interest expense of ₹ 299.98 million towards working-capital loans from banks, direct taxes paid of ₹ 67.97 million and depreciation and amortization of ₹ 17.18 million, offset in part by an increase in inventories of ₹ 1,738.93 million due to the addition of five new showrooms during the fiscal year, an increase in trade receivable of ₹ 814.25 million primarily due to an increase in exports, an increase in loans and advances of ₹ 43.01 million due to an increase in the security deposits paid towards the lease of the five new showrooms opened during the fiscal year, an increase in other assets amounting to ₹ 62.46 million, unrealized foreign exchange gain of ₹ 102.76 million and interest income on fixed deposits of ₹ 20.14 million.

Investing Activities

Net cash used in investing activities in the six months ended September 30, 2012 was ₹ 68.76 million, and consisted primarily purchases of fixed assets including capital advances and movement in intangible assets under development of ₹ 107.46 million relating to the internal renovations carried out in our new showrooms, which were opened during this period. This was offset in part by the interest received of ₹ 28.32 million from fixed deposits with commercial banks, movement in fixed deposits (with maturity more than three months) of ₹ 6.62 million, proceeds from sale of investments amounting to ₹ 2.36 million and proceeds from the sale of fixed assets of ₹ 1.40 million.

Net cash used in investing activities in fiscal 2012 was ₹ 378.99 million, and consisted primarily of purchase of fixed assets including capital advances and movement in intangible assets under development of ₹ 497.50 million relating to the leasehold improvements in the new showrooms, which were opened in fiscal 2012 and loan given to subsidiary of ₹ 85.76 million, offset in part by interest received of ₹ 183.44 million from fixed deposits with commercial banks, movement in fixed deposits (with maturity more than three months) of ₹ 17.67 million and proceeds from the sale of fixed assets of ₹ 3.26 million.

Net cash used in investing activities in fiscal 2011 was ₹ 116.28 million, and consisted of purchase of fixed assets including capital advances and movement in intangible assets under development of ₹ 140.88 million relating to the leasehold improvements in the new showrooms at Pali, Bilaspur and Haridwar, and movement in fixed deposits (with maturity more than three months) of ₹ 29.18 million and offset in part by interest received of ₹ 53.73 million from fixed deposits with commercial banks.

Net cash used in investing activities in fiscal 2010 was ₹ 110.73 million, and consisted of purchase of fixed assets including capital advances and movement in intangible assets under development of ₹ 171.86 million relating to the leasehold improvements in the new showrooms, which were opened in fiscal 2010, offset by interest received of ₹ 23.18 million from fixed deposits with commercial banks and movement in fixed deposits (with maturity more than three months) of ₹ 37.95 million.

Financing Activities

Net cash used in financing activities in the six months ended September 30, 2012 was ₹ 2,504.21 million, resulting from the net proceeds from the short-term borrowings of ₹ 1,994.87 million, interest paid amounting to ₹ 491.28 million primarily to banks and share issue expenses (to the extent not written off) of ₹ 13.10 million, offset in part by the repayment of long term borrowings of ₹ 4.96 million.

Net cash generated from financing activities in fiscal 2012 was ₹ 3,678.44 million, resulting from net proceeds from short-term borrowings of ₹ 4,360.61 million primarily from working capital demand loans amounting to ₹ 151.54 million and proceeds from long term borrowings of ₹ 19.06 million, offset in part by share issue expenses (to the extent not written off) of ₹ 56.34 million and interest paid amounting to ₹ 631.46 million primarily to banks and repayment of long term borrowings of ₹ 6.44 million.

Net cash generated from financing activities in fiscal 2011 was ₹ 192.43 million, resulting from net proceeds from short-term borrowings of ₹ 579.70 million, proceeds from the issue of share capital including security premium of ₹ 270.00 million and proceeds from long term borrowings of ₹ 18.45 million, offset by share application money, net, of ₹ 261.76 million converted into share capital, interest paid on fund based limits of ₹ 371.31 million primarily to banks and repayment of long term borrowings of ₹ 42.65 million.

Net cash used in financing activities in fiscal 2010 was ₹ 1,373.76 million, resulting from the net proceeds from short-term borrowings of ₹ 1,364.66 million to commercial banks, interest paid of ₹ 292.79 million primarily to banks and repayment of long term borrowings of ₹ 22.77 million, offset in part by proceeds from the issue of share capital including security premium of ₹ 180.00 million, proceeds from the issue of share application money, net, of ₹ 88.28 million converted into share capital and proceeds from long-term borrowings of ₹ 38.18

million.

Indebtedness

As of September 30, 2012, our total outstanding debt was ₹ 3,782.88 million, primarily comprising secured loans (comprising cash credit facilities of ₹ 1,705.65 million, packing credit facilities of ₹ 1,209.00 million, post shipment credit facilities of ₹ 389.84 million, working capital demand loan of ₹ 443.86 million, current maturities of finances lease obligations amounting to ₹ 9.35 million and vehicle loans of ₹ 17.25 million). The cash credit, packing credit and post shipment credit facilities are secured, amongst others, against a first *pari passu* charge on our current assets, against mortgages created on certain immovable properties owned by the Promoters, certain Group Entities and SSPL and additionally by the personal guarantees of our Promoters and other members of the Promoter Group including Mr. Amar Chand Garg, Mr. Sachin Gupta and Mr. Nitin Gupta and the corporate guarantees of some of our Group Entities as well as certain corporate guarantees extended by SSPL, Jewel Travels Private Limited and Sampooran Projects Private Limited on our behalf. Our demand loans are secured against our fixed deposits and our vehicle loans are secured by a first charge on the vehicles purchased with the loans. For further information on our secured loans, including the debt covenants that we are bound by, see "***Financial Indebtedness***" on page 271. In addition, as of September 30, 2012, we availed of non-fund based credit facilities amounting to ₹ 12,668.83 million. For further information on our non-fund based credit facilities, see "***- Liquidity and Capital Resources***" on page 303.

The following table sets forth information relating to our total indebtedness as of September 30, 2012:

Particulars	**Payments due by**				
	Total Indebtedness as of September 30, 2012	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
	(₹ in million)				
Secured loans	3,774.95	3,757.70	14.63	2.63	-
Unsecured loans	7.93	7.93	-	-	-
Total	3,782.88	3,765.63	14.63	2.63	-

In addition, Company has also entered into a consortium loan agreement dated October 23, 2012. For further information, see ***"- Significant Developments after September 30, 2012"*** on page 308.

Capital Expenditure

Based on the objects of the Issue, we expect to incur capital expenditure of ₹ 1,408.75 million and ₹ 3,759.75 million in fiscal 2013 and fiscal 2014, respectively, towards our proposed expansion plan. Our capital expenditure plans are based on management estimates and are subject to a number of variables, including the availability of financing on acceptable terms, the desirability of current plans and macroeconomic factors such as the economy or factors affecting the our industry. For additional information relating to our capital expenditure plans, see "***Objects of the Issue***" on page 82.

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities and capital commitments as of September 30, 2012:

Particulars	**Amount (₹ in million)**
Value added tax (claim against Company not acknowledged as debt)	1.85
Guarantees	10
Legal cases (excluding interest which is not ascertainable)	5.50
Total	**17.35**

Off Balance Sheet Arrangements

We have entered into certain forward contracts to hedge our risk associated with fluctuations in foreign currency rates. For further information on forward contracts/ derivative contracts entered into by us with respect to our foreign currency loans and export sales as of September 30, 2012, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 13***" on page 184. As of September 30, 2012, our foreign currency exposure that was not hedged by derivative instruments or otherwise included in sundry creditors (primarily relating to the gold loan schemes) aggregated US$154.14 million.

In connection with our operations, we have also availed letters of credit against the margin in the form of fixed deposits aggregating ₹ 1,089.40 million as of September 30, 2012. A charge has been created on stocks, stores and on all current assets including book debts in favour of the relevant banks in consideration of such letters of credit and cash credit limits issued in our favor. As of September 30, 2012, we had outstanding sundry creditors (primarily relating to the gold loan schemes) aggregating ₹ 1,071.85 million, against fixed deposits of corresponding amounts. The fixed deposits have been netted off from such outstanding sundry creditors (gold loans) in the financial statements. Also see, "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 12***" on page 183.

Related Party Transactions

We have entered into and expect to enter into transactions with a number of related parties, including our Promoters. For further information regarding our related party transactions, see "***Statement of Related Party Transactions, As Restated***" at Annexure XXX to our Financial Statements on page 218.

Quantitative and Qualitative Disclosure about Market Risks

General

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, interest rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt.

Interest Rate Risk

As of September 30, 2012, we had outstanding indebtedness of ₹ 3,304.49 million, with the exception of our vehicle loans, bank overdrafts and working capital demand loans, all of which was subject to floating interest rates. Floating rate debt exposes us to market risk as a result of changes in interest rates. We undertake debt obligations to support capital expenditures, working capital needs, and general corporate purposes. Upward fluctuations in interest rates increase the cost of new debt and interest cost of outstanding variable rate borrowings, which may in turn adversely affect our results of operations. Also see, "***- Liquidity and Capital Resources***" on page 303.

Foreign Exchange Rate Risk

Changes in currency exchange rates influence our results of operations.

While most of our revenues are denominated in Indian rupees, a significant portion of our total earnings and expenses are denominated in currencies other than Indian rupees, primarily U.S. Dollars. We export gold and diamond jewellery to our wholesale basis to international distributors in Dubai. Payments for all our export sales are received by us in foreign currency. Gold used in the manufacture of jewellery for export sales is sourced by the manufacturing facilities in Noida SEZ from canalizing agencies or directly from international bullion suppliers. In addition, our larger diamonds are also imported from Hong Kong and Dubai. The exchange rate between the Rupee and the U.S. Dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. Depreciation of the Rupee against foreign currencies may adversely affect our results of operations by increasing the cost of our manufacturing.

Our net gain on foreign currency transactions and translations was ₹ 27.27 million for the six months ended September 30, 2012 primarily due to the difference between the relevant exchange rate as on the date of procurement of gold and the date of actual payment for this gold, and the difference on account of mark-to-market of outstanding forward contracts as on that date. However, we enter into certain forward contracts to hedge our foreign currency risk. We have entered into certain forward contracts to hedge our risk associated with fluctuations in foreign currency rates. For further information on forward contracts/ derivative contracts entered into by us with respect to our foreign currency loans and export sales as of September 30, 2012, see "***Annexure IV - Statement of Notes to Restated Summary Statements of the Company - Note 13***" on page 184. As of September 30, 2012, foreign currency exposure that was not hedged by derivative instruments or otherwise included in sundry creditors (primarily relating to the gold loan schemes) aggregated US$154.14 million.

Commodity Price Risk

We are subject to market risks related to the volatility in the price of gold and diamonds, and to a lesser extent, platinum, silver and other precious stones. Our financial results can be affected significantly by fluctuations in these prices, which depend on many factors, including demand for these materials, changes in the economy, worldwide production levels, worldwide inventory levels and disruptions in the supply chain. For further discussion on the effect of fluctuations in prices of gold, diamond and other raw materials, see " ***- Factors affecting our Results of Operations - Availability and Prices of Gold and Diamonds***" on page 279 and "***Risk Factors - The non-availability or high cost of quality gold bullion and diamonds may have an adverse effect on our business, results of operations and financial condition.***" on page 18.

Recent Accounting Pronouncements

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI ("**MCA**"), through a press note dated January 22, 2010. The MCA through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues including tax-related issues are resolved. The MCA is expected to announce the date of implementation of the converged accounting standards at a later date. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting.

Significant Developments after September 30, 2012

Our Company has entered into a consortium loan agreement dated October 23, 2012, with State Bank of India, Corporation Bank, Axis Bank Limited, State Bank of Patiala, Karur Vysya Bank Limited, Indian Overseas Bank, Bank of India, Union Bank of India, HDFC Bank Limited, IDBI Bank Limited, Allahabad Bank, State Bank of Bikaner & Jaipur, Kotak Mahindra Bank Limited, Canara Bank and SBICAP Trustee Company Limited for working capital facilities of ₹ 21,138.50 million (including the letter of credit limits under our gold loans), which includes the working capital facilities under the Consortium Loan Agreement dated January 9, 2012 (for a working capital loan of ₹ 15,458.00 million) and certain standalone financing arrangements as disclosed in - ***"Financial Indebtedness"*** on page 271.

Except as stated above, there are no developments after September 30, 2012 that we believe are expected to have a material impact on our reserves, profits, earnings per Equity Share, book value or ability to pay our liabilities within the next twelve months.

Unusual or infrequent events or transactions

Except as discussed in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Significant economic changes

Except as discussed in this Red Herring Prospectus, to the best of our knowledge, there have been no other significant economic changes that are likely to have a material adverse impact on our operations or financial condition.

Known trends or uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified in this section and the uncertainties described in "***Risk Factors***" on page 14. To our knowledge, except as we have described in this Red Herring Prospectus, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Except as described in this section and in "***Risk Factors***" and "***Our Business***" on pages 14 and 121, respectively, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Extent to which material increases in net sales or revenue are due to increased sale volume, introduction of new products or services or increased sales prices

The extent to which material increases in net sales or revenue are due to increased sale volume, introduction of new products or services or increased sales prices is discussed in this section above.

Significant regulatory changes that materially affected or are likely to affect income from continuing operations

Except as described in "***Regulations and Policies***" on page 134, there have been no significant regulatory changes that have materially affected or are likely to affect our income from continuing operations.

The extent to which our business is seasonal

Our industry has seasonal increases and decreases in revenues and profitability, corresponding with weddings and festivals. Historically, the third quarter and fourth quarter have been more profitable than the first quarter and second quarter. We offer increased discounts and promotions in those quarters when there are fewer weddings and no important festivals in order to increase revenue. The effect of seasonality is expected to further decrease with greater geographical diversification. Also see, "***- Factors Affecting our Results of Operations – Seasonality***" and "***Risk Factors – Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.***" on pages 282 and 23, respectively.

Any significant dependence on a single or few suppliers or customers

In fiscal 2012 and the six months ended September 30, 2012, all of our export sales were made to 11 customers and five customers respectively, and our largest customer accounted for 34.4% and 39.1% of our export sales, respectively.

Competitive conditions

The Indian jewellery retail industry is highly fragmented and dominated by the unorganized sector, from which the organized jewellery retail sector faces intense competition. The players in the unorganized sector offer their products at highly competitive prices and many of them are well established in their local area. We also compete against organised national, regional and local players. For further information, see "***Our Business-Competition***" on page 132.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Directors, Promoters or Group Entities and there are no defaults, non payment or overdue of statutory dues, over-dues to banks or financial institutions, rollover/re-scheduling of loans or any other liability, dues payable to holders of any debentures, bonds and fixed deposits and arrears of preference shares of our Company defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company.

Our Company, our Directors, our Promoters and/or our Group Entities have not been declared as wilful defaulters by the RBI, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters, our Group Entities or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

- ***Litigation involving our Company***

LITIGATION AGAINST OUR COMPANY

Set forth below are details of the outstanding litigation against our Company.

Intellectual Property Proceedings

1. Mr. Prakram Singh Chaudhry filed a civil suit (CS No. 11 of 2011) dated February 5, 2011 before the Additional District Judge, Bhilwara, Rajasthan against our Company for the infringement of the trademark '*P.C. Jewellers*' and/or permanent injunction restraining our Company from the use of the trademark. P.C. Jewellers. Mr. Prakram Singh Chaudhry is the sole proprietor of P.C. Jewellers in Bhilwara, and has made an application of registration of their trademark '*P.C. Jewellers*'. The matter is currently pending before the Additional District Judge, Bhilwara.

Value Added Tax

1. By an order dated November 4, 2011, the Assistant Excise and Taxation Commissioner-cum-Deputy Director (Investigation), Mobile Wing, Patiala has imposed a penalty of ₹ 6,631,925.00 on our Company for the violation of Sections 51(2) and 51(4) the Punjab VAT Act, 2005. Sections 51(2) and 51(4) of the Punjab VAT Act, 2005 require a person, transporting goods into the state of Punjab, to carry with him certain requisite documents, including goods receipt and a log book, and furnish a declaration to that effect at the nearest check post information collection centre upon entering the State. The checking officer, upon allegedly finding non-compliance with the above sections, detained the goods, including jewellery and other gold and silver articles, contained in a vehicle entering Punjab, which belonged to our Company. Our Company has filed an appeal dated March 29, 2012, before the Deputy Excise and Taxation Commissioner (Patiala Division), Patiala, against the order dated November 4, 2011. The matter is currently pending before the Deputy Excise and Taxation Commissioner (Patiala Division), Patiala.

2. By an order dated July 29, 2010, the Value Added Tax Officer (Audit) had imposed a tax along with interest for the assessment year 2007-08 amounting to ₹ 1,852,894 under sections 32 and 33 of the Delhi Value Added Tax Act, 2004 (the "**DVAT 2004**") as well as a penalty of ₹ 1,398,772 under section 86(10) of the DVAT 2004 on our Company for the alleged excess claim of income tax credit of ₹ 1,283,473. Our Company filed an objection (ACCT/OB/5325&5330) before the Special Commissioner – I, Department of Trade and Taxes, New Delhi against the order dated July 29, 2010. The Special Commissioner – I, by an order dated July 4, 2011 upheld the order dated July 29, 2010 passed by the Value Added Tax Officer and directed our Company to deposit the tax payable along with interest from May 29, 2008 and the penalty imposed within 15 days of the order. Our Company filed an appeal (No. 512-513/ATVAT/11-12) before the Appellate Tribunal, Value Added Tax, Delhi against the order of the Special Commissioner – I, dated July 4, 2011. The Appellate Tribunal has, by an order dated August 8, 2012, directed our Company to deposit 10% of the amount in dispute within

30 days of the order, as a condition precedent to hearing our appeal on merit. Our Company has, consequently, deposited the said amount. The matter is currently pending before the Appellate Tribunal, Value Added Tax, Delhi.

Consumer Complaint

1. Mr. Bhupesh Garg filed a consumer complaint (No. 582 of 2012) before the District Forum Consumer Protection, Jodhpur, against our Company on account of deficiency in service allegedly by not accounting for a monthly instalment paid by Mr. Bhupesh Garg under the ‘Jewels for Less’ scheme. Mr. Bhupesh Garg has claimed jewellery worth ₹ 70,000.00 under the ‘Jewels for Less’ scheme, along with interest payment at the rate of 18% on ₹ 60,000.00 from the date of filing the complaint until realization, compensation for mental agony and legal costs amounting to ₹ 96,000.00. The matter is currently pending before the District Forum Consumer Protection, Jodhpur.

Compensation Claim

1. Mr. Kishan Lal filed a claim for compensation (No. 303 of 2012) under the Motor Vehicles Act, 1888, before the Motor Accidents Claims Tribunal, New Delhi, against the Company and Bajaj Allianz General Insurance Company Limited, on account of allegedly sustaining multiple grievous injuries due to an accident involving a vehicle owned by the Company. Mr. Kishan Lal has prayed for the grant of compensation of ₹ 5,500,000.00 along with interest at the rate of 18% per annum from the date of filing the claim until realization and an interim award of ₹ 25,000.00. The matter is currently pending before the Motor Accidents Claims Tribunal, New Delhi.

LITIGATION BY OUR COMPANY

Consumer Complaint

1. Our Company filed a consumer complaint (No. CC/216 of 2010) dated November 23, 2010, before the National Consumer Disputes Redressal Commission, New Delhi, against the National Insurance Company Limited on account of non payment of balance insurance claim amount of ₹ 12,273,977.00 along with interest and compensation for loss of business and mental agony, out of the total amount claimed amounting to ₹ 20,738,041.00, on account of theft at our showroom situated at Panchkula, Haryana. The matter is currently pending before the National Consumer Disputes Redressal Commission, New Delhi.

Intellectual Property

1. Our Company has filed a civil suit (No. 991 of 2011), before the High Court of Delhi, against P.C. Jewellers and its sole proprietor Mr. Prakram Singh Chaudhury for infringement of trademark ‘*P.C. Jewellers*’. Our Company has prayed for permanent injunction restraining P.C. Jewellers, Bhilawara from using the trademark ‘*P.C. Jewellers*’ and damages amounting to ₹ 2,000,000.00. Our Company also filed an interim application (No. IA No. 6623 of 2011) dated March 22, 2011 before the High Court of Delhi for interim injunction restraining P.C. Jewellers from using the impugned trademark during the pendency of the suit. The High Court of Delhi (Single Judge), through an order dated April 27, 2011, granted the interim injunction to our Company and through an order dated May 21, 2012, confirmed the interim order for the pendency of the suit. Mr. Prakram Singh Chaudhury filed an appeal (FAO (OS) 465 of 2012) before the High Court of Delhi (Division Bench), against the order dated May 21, 2012. The High Court of Delhi (Division Bench), through an order dated September 21, 2012 has dismissed the appeal and has directed that the order of injunction dated May 21, 2012 be upheld. The matter is currently pending before the High Court of Delhi.

Service Tax

1. Our Company filed a writ petition (CWP No. 19221 of 2010) dated October 22, 2010, before the High Court of Punjab and Haryana, against the Union of India, the Central Board of Excise and others challenging the legality and constitutional validity of Section 65 (105) (zzzz) and Section 66 of the Finance Act, 1994, as amended by Finance Act, 2010. Our Company further sought a writ of *certiorari* for setting aside Section 76 (A) (6) (h) and Section 77 of the Finance Act and declaring the notification (No. 24 of 2010) dated June 22, 2010 issued by the Union of India null and void. Pursuant to the abovementioned Sections of the Finance Act, 1994 and the notification, service tax is imposed

retrospectively, with effect from June 1, 2007, on the renting of immovable property for use in the course of, or for furtherance of, business or commerce. Through an order dated November 22, 2010, the High Court of Punjab and Haryana dismissed the writ petition. Our Company filed a special leave petition (Civil No. 2328 of 2011) before the Supreme Court of India seeking leave to appeal against the order dated November 22, 2010. The matter is currently pending before the Supreme Court of India.

2. Our Company filed a writ petition (WP (C) No. 6345 of 2010) dated September 16, 2010 before the High Court of Delhi, against the Union of India, the Central Board of Direct Taxes and others, including the lessors of the various leased premises, challenging the legality and constitutional validity of Section 65 (105) (zzzz) and Section 66 of the Finance Act, 1994, as amended by Finance Act, 2010. Our Company further sought a writ of *certiorari* for setting aside Section 76 (A) (6) (h) and Section 77 of the Finance Act and declaring the notification (No. 24 of 2010) dated June 22, 2010 issued by the Union of India null and void. Pursuant to the abovementioned Sections of the Finance Act, 1994 and the notification, service tax has been imposed retrospectively, with effect from June 1, 2007, on the renting of immovable property for use in the course of, or for furtherance of, business or commerce. Our Company also filed a civil suit (CM No. 12605 of 2011) for grant of interim injunction restraining the defendants from acting on the impugned sections during the pendency of the suit. Through an order dated September 21, 2010, the High Court of Delhi, has granted the interim injunction. The High Court of Delhi by a common order dated September 23, 2011, dismissed the writ petition (WP (C) No. 6345 of 2010) on the grounds that the impugned sections were not *ultra vires* the constitution of India. Our Company has filed a special leave petition (SLP (C) No. 3568 of 2012) before the Supreme Court of India, against the common order dated September 23, 2011. The Supreme Court has, by an order dated March 2, 2012, granted leave to appeal and has directed that no coercive steps would be taken for the recovery against our Company of the said arrears subject to our Company paying the arrears of service tax, due as on September 30, 2011, on or before April 15, 2012. Our Company has, consequently, paid the aforementioned arrears to the respective landlords of the leased premises. The matter is currently pending before the Supreme Court of India.

- ***Litigation involving our Promoters***

Except as disclosed below, there are no proceedings involving our Promoters.

Proceedings against Mr. Padam Chand Gupta

Civil Proceedings

Mrs. Madhu Sharma filed a civil suit (C.S. (O.S.) 1621 of 2010) dated July 9, 2010 before the High Court of Delhi against Smriti Technosoft Private Limited, Mr. Padam Chand Gupta, Ms. Madhu Sharma, Mr. Ankur Sharma and Ms. Anjali Sharma for declaration of title, partition of property, possession and mesne profits on property situated at Flat Nos. 5 and 6, 1(C), Court Road Civil Lines, New Delhi. Ms. Madhu Sharma has also filed an application (I.A. No. 10480 of 2010) dated July 9, 2010, before the High Court of Delhi for the grant of an ex parte injunction restraining the above mentioned defendants from constructing on or demolishing the property or creating any third party interest. The matter is currently pending before the High Court of Delhi.

Service Tax

Our Company has filed a special leave petition (SLP (C) No. 3568 of 2012) before the Supreme Court of India, against a common order dated September 23, 2011 passed by the High Court of Delhi, dismissing the writ petition (WP (C) No. 6345 of 2010) filed by our Company against the Union of India, the Central Board of Direct Taxes and others, including the lessors of the various leased premises. Mr. Padam Chand Gupta, having entered into an agreement of lease dated April 15, 2007, with our Company for the Registered Office, has been named as a respondent in the special leave petition. For further details, see " – ***Litigation by our Company – Service Tax***" on page 311.

Proceedings against Mr. Balram Garg

Central Excise

The Commissioner of Central Excise, Delhi-I issued a show cause notice dated April 5, 2005 to PP Design Estate, alleging that PP Design Estate was engaged in the sale and purchase of readymade garments, designer garments as well as manufacture/fabrication of make-to-order garments falling under chapter head 6201 of the

Central Excise Tariff Act, 1985, and removing them through their retail outlets without payment of appropriate central excise duty in contravention of Central Excise Rules, 2002, for the period between April 1, 2003 to March 31, 2004. The Joint Commissioner of Central Excise, Delhi-I passed an order dated February 22, 2007 imposing a duty of ₹ 0.70 million with interest along with a penalty of ₹ 0.70 million. A penalty of ₹ 0.10 million was also levied on Mr. Balram Garg who was then the authorized representative of PP Design Estate. PP Design Estate and Mr. Balram Garg filed an appeal against the order dated February 22, 2007 before the Commissioner of Excise (Appeals), which was allowed with consequential relief pursuant to an order dated March 27, 2009. The Commissioner of Central Excise filed an appeal (no. E/1812-1814/2009-EX[DB]) dated June 22, 2009 before the Customs, Excise and Service Tax Appellate Tribunal, Delhi. The Commissioner of Central Excise also filed a stay application against the order of the Commissioner of Excise (Appeals), which was dismissed by the Customs, Excise and Service Tax Appellate Tribunal on September 23, 2009. The matter is currently pending before the Customs, Excise and Service Tax Appellate Tribunal.

Service Tax

Our Company has filed a special leave petition (SLP (C) No. 3568 of 2012) before the Supreme Court of India, against a common order dated September 23, 2011 passed by the High Court of Delhi, dismissing the writ petition (WP (C) No. 6345 of 2010) filed by our Company against the Union of India, the Central Board of Direct Taxes and others, including the lessors of the various leased premises. Mr. Balram Garg, having entered into an agreement of lease dated April 15, 2007, with our Company for the Registered Office, has been named as a respondent in the special leave petition. For further details, see " – ***Litigation by our Company – Service Tax***" on page 311.

- ***Litigation involving our Group Entities***

Our Group Entities are not involved in any litigation.

- ***Litigation involving our Directors***

Our Chairman, Mr. Padam Chand Gupta, is involved in a civil litigation and a service tax proceeding and our Managing Director, Mr. Balram Garg is party to a central excise proceeding and a service tax proceeding. For details, see "- ***Litigation Involving Our Promoters***" above.

- ***Amount Owed To Small Scale Undertakings/Creditors***

Our Company does not owe any amount to any micro, small and medium enterprises or other creditors which has been outstanding for more than 30 days except in the ordinary course of business as of the date of this Red Herring Prospectus. For further details, see "***Financial Statements***" on page 163.

- ***Material Developments***

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operation"*** on page 277**,** there have not arisen, since the date of the last financial information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the GoI and various governmental agencies required for our present business and except as disclosed in this Red Herring Prospectus, no further material approvals are required for carrying on our present business operations.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing activities.

I. Incorporation Details of our Company

1. Certificate of incorporation dated April 13, 2005 issued to our Company by the RoC.

2. Certificate of incorporation dated October 16, 2007 issued to our Company by the RoC on account of change of name from 'P Chand Jewellers Private Limited' to 'PC Jewellers Private Limited'.

3. Certificate of incorporation dated December 9, 2009 issued to our Company by the RoC on account of change of name from 'PC Jewellers Private Limited' to 'PC Jeweller Private Limited'.

4. Certificate of incorporation dated August 2, 2011 issued to our Company by the RoC on account of change of name from 'PC Jeweller Private Limited' to 'PC Jeweller Limited' upon conversion to a public limited company.

II. Approvals Related to the Issue

Corporate Approvals

1. The Board has, pursuant to its resolutions dated August 19, 2011 and August 28, 2012, authorized the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

2. The shareholders of our Company have, pursuant to their resolutions dated September 16, 2011 and September 25, 2012 under Section 81(1)(A) of the Companies Act, authorized the Issue.

In-principle approvals from BSE and NSE

1. In-principle approval from the BSE dated November 4, 2011; and

2. In-principle approval from the NSE dated November 18, 2011.

Approvals from lenders

Pursuant to a letters dated April 10, 2012 and October 30, 2012 the State Bank of India has given its consent as lead bank, in respect of the Consortium Loan Agreement dated January 9, 2012 and the New Consortium Loan Agreement dated October 23, 2012, respectively, to our Company to undertake the Issue and other related matters. Further we have obtained a *post facto* consent dated April 10, 2012 from the lead bank under the Consortium Loan Agreement for the change in our capital structure pursuant to the Bonus Issue. Under certain standalone facilities, we have also obtained the requisite consents for the Issue and consequent changes in our capital structure and shareholding pattern from our lenders, State Bank of Patiala, Allahabad Bank, IDBI Bank Limited, Corporation Bank and Canara Bank, through their letters dated October 18, 2012, from Indian Overseas Bank through its letter dated October 20, 2012, from State Bank of India through its letter dated October 30, 2012 and from HDFC Bank Limited through its letters dated October 18, 2012 and October 31, 2012. For further details, see "***Financial Indebtedness***" on page 271.

III. Approvals in relation to our Operations

The following are the approvals received by our Company for its business

Importer Exporter Code

S. No.	Particulars	Registration/Reference Number	Date of Issue	Date of Expiry
1.	Certificate of importer-exporter code issued by the Office of Zonal Director General of Foreign Trade, Ministry of Commerce and Industry	IEC – 0505009455	May 11, 2005	Valid until cancellation

Gems and Jewellery Export Promotion Council

S. No.	Particulars	Registration/Reference Number	Date of Issue	Date of Expiry
1.	Registration cum membership certificate issued by the Gem and Jewellery Export Promotion Council, New Delhi	GJC/REGN/MFG/RO-DEL/G12169/2008-2013	January 6, 2009, (valid from April 1, 2008)	Valid for five years; i.e. March 31, 2013

Employee's Provident Fund and Employee's State Insurance

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
1.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 by the Assistant/Regional Provident Fund Commissioner, New Delhi	PFRC/98Coord/DL/32697 /coverage/1629; EPF Code: DL/32697	July 27, 2005 (valid from April 16, 2005)	Valid until cancellation
2.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 by the Assistant Provident Fund Commissioner, Regional Office, Noida	No. 8074/SRO/ENP; EPF Code: UP/44168	March 18, 2008 (valid from December 1, 2007)	Valid until cancellation
3.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 by the Assistant Provident Fund Commissioner, Regional Office, Uttarakhand	No. EPF/RO/UK/DDN/COV /UK/36005/51171; EPF Code: U.K./36005	February 22, 2010 (valid from February 1, 2009)	Valid until cancellation
4.	Certificate of registration issued under the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 by the Assistant Provident Fund Commissioner, Regional Office, Noida, for our manufacturing facility at Sector 63, Noida	No. MR/NOI/0055713/000/0-1; EPF Code: MRNOI/0055713/000	May 2, 2012 (valid from November 15, 2011)	Valid until cancellation
5.	Certificate of registration issued under Employee State Insurance Act, 1948 by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Ludhiana	26110809460011001/889/7593; ESI Code: 26110809460011001	May 31, 2011 (valid from March 13, 2011)	Valid until cancellation
6.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Noida (Ghaziabad)	67/N/SRO/67-11-080946-002-0910 ESI Code: 67-11-080946-002-0910	September 16, 2010 (valid from March 16, 2010)	Valid until cancellation
7.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Noida	67/N/Noida/SRO/11-40-80946-101-UP-2776-Noida ESI Code: 11-40-80946-101-UP-2776-Noida	March 17, 2008 (valid from October 15, 2007)	Valid until cancellation
8.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Assistant Director,	67/N/Noida/SRO/NC/67-37153-52; ESI Code: 67-37153-52	March 31, 2008 (valid from November 19,	Valid until cancellation

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
	Sub-Regional Office, Employee's State Insurance Corporation, Noida		2007- provisionally)	
9.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Assistant Director, Sub-Regional Office, Employee's State Insurance Corporation, Gurgaon	69/11-40-80946-101/GRG(H)-272/1582; ESI Code: 11-40-80946-101/GRG(H)-272	August 10, 2010 (valid from March 24, 2010)	Valid until cancellation
10.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Assistant Director, Sub-Regional Office, ESI Corporation, Udaipur (Bhilwara)	16-11-080946-001-1001-Bhilawara (Raj); ESI Code: 16-11-080946-001-1001	May 3, 2011 (valid from December 25, 2010)	Valid until cancellation
11.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Deputy Director, Employee's State Insurance Corporation, Dehradun	ESI Code: 61-11-080946-002-1001	January 11, 2010 (valid from February 1, 2009)	Valid until cancellation
12.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Deputy Director, Employee's State Insurance Corporation, Dehradun	No. 11-40-80946-101/61-489/DN/1464 ESI Code: 11-40-80946-101/61-489/DN/	December 30, 2008 (valid from October 19, 2008)	Valid until cancellation
13.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Deputy Director, Regional Office, Employee's State Insurance Corporation, Dehradun	ESI Code: 61000400120000599	May 8, 2012 (valid from May 1, 2010)	Valid until cancellation
14.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Assistant Director (Inspection), Employee's State Insurance Corporation, Regional Office, Indore, Madhya Pradesh (Bhopal)	ESI Code: 18110809460021001/Bhopal	Valid from September 26, 2010	Valid until cancellation
15.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Deputy Director, Employee's State Insurance Corporation, Regional Office, Indore, Madhya Pradesh	ESI Code: 18110809460011001/Indore	Valid from August 31, 2010	Valid until cancellation
16.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee's State Insurance Corporation, Jodhpur	ESI Code: 27-11-080946-001-1001	March 24, 2011 (valid from October 31, 2010)	Valid until cancellation
17.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee's State Insurance Corporation, Faridabad	13/11-40-80946-101/H-1777; ESI Code: 11-40-80946-101/H-1777	November 28, 2008 (valid from October 2, 2008)	Valid until cancellation
18.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee's State Insurance Corporation, New Delhi	D/CDO/Insurance/d/11-40/80946-101; ESI Code: 11-40-80946-101	July 22, 2005 (valid from April 16, 2005)	Valid until cancellation
19.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Kanpur (Lucknow)	ESI Code: 21110809460011001	March 28, 2011 (valid from July 26, 2010)	Valid until cancellation
20.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Ambala, Haryana (Panchkula)	13/11/40/80946/101/DOHA-245/447; ESI Code: 11-40-80946-101-13/DOHA245	April 15, 2008 (valid from December 3, 2007)	Valid until cancellation
21.	Certificate of registration issued	61-11-080946-003-1001/2652;	September 26,	Valid until

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
	under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Uttarakhand (Haridwar)	ESI Code: 61-11-080946-003-1001	2011 (valid from July 11, 2011)	cancellation
22.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Noida	ESI Code: 67000502180000910	July 2, 2011 (valid from March 3, 2011)	Valid until cancellation
23.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Deputy Director, Employee State Insurance Corporation, Sub-Regional Office, Jalandhar (Amritsar)	ESI Code: 29110809460011001	January 12, 2012 (valid from October 9, 2011)	Valid until cancellation
24.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Jaipur (Ajmer)	ESI Code: 15-11-080946-001-1001	January 4, 2012; (valid from October 19, 2011)	Valid until cancellation
25.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Noida	ESI Code: 67110809460031001	March 26, 2012 (valid from November 17, 2011)	Valid until cancellation
26.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Regional Director, Employee State Insurance Corporation, Raipur (Bilaspur)	ESI Code: 59110809460041001	October 4, 2011	Valid until cancellation
27.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Jodhpur (Pali)	ESI Code: 27-11-080946-002-1001	September 30, 2011 (valid from August 7, 2011)	Valid until cancellation
28.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Jaipur (Beawar)	ESI Code: 15110809460021001	April 13, 2012 (valid from October 16, 2011)	Valid until cancellation
29.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Chandigarh	ESI Code: 17110809460011001/Chandigarh	December 27, 2011 (valid from September 20, 2009)	Valid until cancellation
30.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, New Delhi	ESI Code: 20110809460011001	January 30, 2012 (valid from October 1, 2011)	Valid until cancellation
31.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Faridabad, Haryana (Rohtak)	ESI Code: 13000721870000910	September 10, 2012 (valid from April 22, 2012)	Valid until cancellation
32.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Kanpur	ESI Code: 21110809460021001	June 29, 2012 (valid from May 20, 2012)	Valid until cancellation
33.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, New Delhi (Rajouri Garden)	ESI Code: 11110809460011001	August 9, 2012 (valid from April 22, 2012)	Valid until cancellation
34.	Certificate of registration issued under the Employee State Insurance Act, 1948 by the Employee State Insurance Corporation, Noida	ESI Code: 67110809460041001	October 1, 2012 (valid from August 5, 2012)	Valid until cancellation

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
	(Indirapuram)			

Pending Applications

- Application dated August 8, 2012 to the Employee State Insurance Corporation, New Delhi, for registration under the Employee State Insurance Act, 1948 for the showroom situated in Greater Kailash-I, New Delhi.

- Application dated September 24, 2012 to the Employee State Insurance Corporation, New Delhi, for registration under the Employee State Insurance Act, 1948 for the showroom situated in Kingsway Camp, New Delhi.

Bureau of Indian Standards ("BIS")

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
Lucknow				
1.	BIS certification marks license issued by the Bureau of Indian Standards, Lucknow Branch (for gold and gold alloys)	CM/L-9810282 IS No. – IS 1417:1999	August 4, 2010 (valid from August 3, 2010)	August 2, 2013
2.	BIS certification marks license issued by the Bureau of Indian Standards, Lucknow Branch (for silver and silver alloys)	CM/L-9810383 IS No. – 2112:2003	August 4, 2010 (valid from August 4, 2010)	August 2, 2013
Ghaziabad				
3.	BIS certification marks license issued by the Bureau of Indian Standards, Ghaziabad Branch (for gold and gold alloys)	CM/L-3101223 IS No. – 1417:1999	April 6, 2010 (valid from March 30, 2010)	March 29, 2013
4.	BIS certification marks license issued by the Bureau of Indian Standards, Ghaziabad Branch (for silver and silver alloys)	CM/L-3106233 IS No. – 2112:2003	April 28, 2010 (valid from April 28, 2010)	March 29, 2013
Noida				
5.	BIS certification marks license issued by the Bureau of Indian Standards, New Delhi Branch (for gold and gold alloys)	CM/L -3198163 IS No. 1417:1999	April 4, 2011 (valid from March 29, 2011)	March 28, 2014
6.	BIS certification marks license issued by the Bureau of Indian Standards, New Delhi Branch (for silver and silver alloys)	CM/L -3198264 IS No. 2112:2003	April 4, 2011 (valid from March 29, 2011)	March 28, 2014
Gurgaon				
7.	BIS certification marks license issued by the Bureau of Indian Standards, Faridabad Branch (for gold and gold alloys)	CM/L -9804893 IS No. 1417:1999	July 12, 2010 (valid from July 1, 2010)	June 30, 2013
8.	BIS certification marks license issued by the Bureau of Indian Standards, Faridabad Branch (for silver and silver alloys)	CM/L -9804691 IS No. 2112:2003	July 12, 2010 (valid from July 1, 2010);	June 30, 2013
New Delhi (Preet Vihar)				
9.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3139147 IS No. 1417:1999	August 12, 2011 (valid from August 10, 2010)	August 9, 2013
10.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L -3139349 IS No. 2112:2003	January 12, 2011 (valid from August 10, 2010)	August 9, 2013
New Delhi (Pitampura)				

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
11.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3288568; IS No. 1417:1999	June 28, 2012 (valid from June 27, 2012)	March 26, 2015
12.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	June 28, 2012 (valid from June 27, 2012)	March 26, 2015
New Delhi (Karol Bagh)				
13.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3288568; IS No. 1417:1999	June 28, 2012 (valid from June 27, 2012)	March 26, 2015
14.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	June 28, 2012 (valid from June 27, 2012)	March 26, 2015
New Delhi (South Extension)				
15.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3288568; IS No. 1417:1999	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
16.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
New Delhi (Rajouri Garden)				
17.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3288568; IS No. 1417:1999	June 28, 2012 (valid from June 21, 2012)	March 26, 2015
18.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	June 28, 2012 (valid from June 21, 2012)	March 26, 2015
New Delhi (Greater Kailash – I)				
19.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3288568; IS No. 1417:1999	June 28, 2012 (valid from June 21, 2012)	March 26, 2015
20.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	June 28, 2012 (valid from June 21, 2012)	March 26, 2015
Bhilwara				
21.	BIS certification marks license issued by the Bureau of Indian Standards, Jaipur Branch (for gold and gold alloys)	CM/L-3187360 IS No. 1417:1999	February 23, 2011; (valid from February 21, 2011)	February 20, 2014
22.	BIS certification marks license issued by the Bureau of Indian Standards, Jaipur Branch (for silver and silver alloys)	CM/L -3187461 IS No. 2112:2003	February 23, 2011; (valid from February 21, 2011)	February 20, 2014
Ludhiana				
23.	BIS certification marks license issued by the Bureau of Indian Standards, Northern Regional Office, Marks Department Chandigarh- III (for gold and gold alloys)	CM/L-9859013 IS No. 1417:1999	May 24, 2011 (valid from May 10, 2011)	May 9, 2014
24.	BIS certification marks license issued by the Bureau of Indian Standards, Northern Regional Office, Marks Department	CM/L -9860604 IS No. 2112:2003	May 23, 2011 (valid from May 19, 2011)	May 18, 2014

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
	Chandigarh- III (for silver and silver alloys)			
Panchkula				
25.	BIS certification marks license issued by the Bureau of Indian Standards, Northern Regional Office, Marks Department Chandigarh - I (for gold and gold alloys)	CM/L - 9637092 IS No. 1417:1999	April 18, 2011 (valid from November 26, 2010)	November 25, 2013
26.	BIS certification marks license issued by the Bureau of Indian Standards, Northern Regional Office, Marks Department Chandigarh - I (for silver and silver alloys)	CM/L-9884820 IS No. 2112:2003	September 14, 2011 (valid from September 9, 2011)	November 25, 2013
Jodhpur				
27.	BIS certification marks license issued by the Bureau of Indian Standards, Jaipur Branch (for gold and gold alloys)	CM/L -3176153 IS No. 1417:1999	January 13, 2011 (valid from January 6, 2011)	January 5, 2014
28.	BIS certification marks license issued by the Bureau of Indian Standards, Jaipur Branch (for silver and silver alloys)	CM/L - 3176254 IS No. 2112:2003	January 13, 2011 (valid from January 6, 2011)	January 5, 2014
Dehradun				
29.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L -3288568 IS No. 1417:1999	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
30.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
Indore				
31.	BIS certification marks license issued by the Bureau of Indian Standards, Bhopal Branch (for silver and silver alloys)	CM/L -3137345 IS No. 2112:2003	August 18, 2010 (valid from August 11, 2010)	August 10, 2013
32.	BIS certification marks license issued by the Bureau of Indian Standards, Bhopal Branch (for gold and gold alloys)	CM/L -3138347 IS No. 1417:1999	August 18, 2010 (valid from August 11, 2010)	August 10, 2013
Bhopal				
33.	BIS certification marks license issued by the Bureau of Indian Standards, Bhopal Branch (for gold and gold articles)	CM/L -3148653 IS No. 1417:1999	October 5, 2010 (valid from September 13, 2010)	September 12, 2013
34.	BIS certification marks license issued by the Bureau of Indian Standards, Bhopal Branch (for silver and silver articles)	CM/L -3148754 IS No. 2112:2003	September 13, 2010 (valid from September 13, 2010)	September 12, 2013
Faridabad				
35.	BIS certification marks license issued by the Bureau of Indian Standards, Faridabad Branch (for gold and gold alloys)	CM/L -9815696 IS No. 1417:1999	September 9, 2010 (valid from August 20, 2010)	August 19, 2013
36.	BIS certification marks license issued by the Bureau of Indian Standards, Faridabad Branch (for silver and silver alloys)	CM/L-9876821; IS No. 2112:2003	August 1, 2011 (valid from July 29, 2011)	July 28, 2014
Raipur				
37.	BIS certification marks license issued by the Bureau of Indian Standards, Bhopal Branch (for gold	CM/L -3164348 IS No. 1417:1999	November 18, 2010 (valid from November 11,	November 10, 2013

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
	and gold alloys)		2010)	
38.	BIS certification marks license issued by the Bureau of Indian Standards, Bhopal Branch (for silver and silver alloys)	CM/L -3164449 IS No. 2112:2003	November 18, 2010 (valid from November 11, 2010)	November 10, 2013
Bilaspur				
39.	BIS certification marks license issued by the Bureau of Indian Standards, Bhopal Branch (for gold and gold alloys)	CM/L-3240136; IS No. 1417:1999	September 22, 2011 (valid from September 16, 2011)	September 15, 2014
40.	BIS certification marks license issued by the Bureau of Indian Standards, Bhopal Branch (for silver and silver alloys)	CM/L-3240742; IS No. 2112:2003	September 22, 2011 (valid from September 21, 2011)	September 15, 2014
Haridwar				
41.	BIS certification marks license issued by the Bureau of Indian Standards, Dehradun Branch (for gold and gold alloys)	CM/L-3233442; IS No. 1417:1999	August 25, 2011 (valid from August 18, 2011)	August 17, 2014
42.	BIS certification marks license issued by the Bureau of Indian Standards, Dehradun Branch (for silver and silver alloys)	CM/L-3233543; IS No. 2112:2003	August 25, 2011 (valid from August 18, 2011)	August 17, 2014
Pali				
43.	BIS certification marks license issued by the Bureau of Indian Standards, Jaipur Branch (for gold and gold alloys)	CM/L-3251040; IS No. 1417:1999	November 4, 2011 (valid from October 31, 2011)	October 30, 2014
44.	BIS certification marks license issued by the Bureau of Indian Standards, Jaipur Branch (for silver and silver alloys)	CM/L-3251141; IS No. 2112:2003	November 4, 2011 (valid from October 31, 2011)	October 30, 2014
Amritsar				
45.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3288568; IS No. 1417:1999	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
46.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
Ajmer				
47.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3288568; IS No. 1417:1999	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
48.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
Beawar				
49.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for gold and gold alloys)	CM/L-3288568; IS No. 1417:1999	April 2, 2012 (valid from March 27, 2012)	March 26, 2015
50.	BIS certification marks license issued by the Bureau of Indian Standards, Marks Department Delhi - III (for silver and silver alloys)	CM/L-3288669; IS No. 2112:2003	April 2, 2012 (valid from March 27, 2012)	March 26, 2015

Pending Applications

- Application dated July 31, 2012, to the Director, Bureau of Indian Standards, New Delhi, for the inclusion of showrooms situated in Indirapuram and Kingsway Camp, in the corporate BIS license (No. CM/L- 3288568 and No. CM/L- 3288669) for gold and gold alloys; silver and silver alloys, respectively.

- Application dated May 28, 2012, to the Director, Bureau of Indian Standards, New Delhi, for the inclusion of showroom situated in Rohtak, in the corporate BIS license (No. CM/L- 3288568 and No. CM/L- 3288669) for gold and gold alloys; silver and silver alloys, respectively.

- Application dated April 23, 2012, to the Director, Bureau of Indian Standards, New Delhi, for the inclusion of showroom situated in Kanpur, in the corporate BIS license (No. CM/L- 3288568 and No. CM/L- 3288669) for gold and gold alloys; silver and silver alloys, respectively.

- Application dated August 24, 2012, to the Director, Bureau of Indian Standards, New Delhi, for the inclusion of showroom situated in Chandigarh, in the corporate BIS license (No. CM/L- 3288568 and No. CM/L- 3288669) for gold and gold alloys; silver and silver alloys, respectively.

Factory license; Micro, Small and Medium Enterprises Registration and Environment approvals

S. No.	Particulars	Registration/Reference/License Number	Date of Registration/Renewal	Date of Expiry
1.	Registration and license issued under Factories Act, 1948 by the Chief Inspector of Factories, Uttarakhand (Dehradun unit at F-50, Selaqui)	D. D. N – 885	January 1, 2012	December 31, 2012
2.	Registration and license issued under Factories Act, 1948 by the Inspector of Factories, Uttarakhand (Dehradun unit at G-54, Selaqui)	D. D. N – 814	January 1, 2012	December 31, 2012
3.	Acknowledgement under the Micro, Small and Medium Enterprises Development Act, 2006 issued by the General Manager, District Industries Centre, Dehradun for our manufacturing unit at F-50, Selaqui, Dehradun	050051201448 (Part II)	May 17, 2012	Valid until cancellation
4.	Acknowledgement under the Micro, Small and Medium Enterprises Development Act, 2006 issued by the General Manager, District Industries Centre, Dehradun for our manufacturing unit at G-54, Selaqui, Dehradun	050051201439 (Part II)	May 1, 2012	Valid until cancellation
5.	Acknowledgement under the Micro, Small and Medium Enterprises Development Act, 2006 issued by the General Manager, District Industries Centre, Gautam Budh Nagar for our manufacturing unit at Sector 63, Noida	090101203655 (Part -1)	May 2, 2011	Two years from the date of issue, i.e. May 1, 2013
6.	Approval for the establishment of an unit under the Special Economic Zones Act, 2005 issued by the office of Development Commissioner, Noida Special Economic Zone, Ministry of Commerce and Industry, GoI	Ref. No. 07/04/2010-Proj/9395	December 20, 2010	Five years from the date of commencement of production, i.e., March 2, 2016
7.	Registration and license issued under Factories Act, 1948 by the Deputy Development Commissioner, Noida Special Economic Zone, Ministry of Commerce and Industry, GoI, for the manufacturing facility at Plot No. 65, Noida SEZ	NSEZ/FL/9/08	April 18, 2012	December 31, 2012

8.	No objection certificate for environment pollution issued by the Uttar Pradesh Pollution Control Board, Noida, for our manufacturing facility at Sector 63, Noida	115/NOC-213/2012	April 10, 2012	Valid until cancellation
9.	Consolidated consent to operate under Air Act and Water Act, issued by the Uttarakhand Environment Protection and Pollution Control Board for our manufacturing facility at G-54, Selaqui, Dehradun	32084	September 24, 2012 (valid from May 2, 2012)	March 31, 2013
10.	Registration and license issued under Factories Act, 1948 issued by the Deputy Development Commissioner, Noida Special Economic Zone, Gautum Budh Nagar for the manufacturing facility at Plot No. 142A/3, Noida SEZ	NSEZ/FL/08/2012	October 15, 2012	December 31, 2012
11.	Registration and license issued under Factories Act, 1948 issued by the Deputy Director of Factories, Noida for the manufacturing facility at Sector 63, Noida	NDA-5131	October 17, 2012	December 31, 2012
12.	Consolidated consent to operate under Air Act and Water Act, issued by the Uttarakhand Environment Protection and Pollution Control Board for our manufacturing facility at F-50, Selaqui, Dehradun	AW-32227	October 31, 2012	March 31, 2013

Pending Applications

- Application dated March 27, 2012 to the Regional Office, Pollution Control Board, Noida and an application dated June 15, 2012, to the Uttar Pradesh Pollution Control Board, Lucknow, for the grant of consent to operate under the Air Act and the Water Act for the manufacturing facility at Sector 63, Noida.

- Application dated October 18, 2012 to the Development Commissioner, Noida SEZ, Noida for the renewal of approval (Ref. No. 07/16/2007-Proj/5763) for the establishment of an unit under the Special Economic Zones Act, 2005 in relation to our manufacturing facility at Plot No. 65, Noida SEZ.

Registrations under local Shops and Establishment Acts

S. No.	Particulars	Registration/Reference/License Number	Date of Registration/Renewal	Date of Expiry
1.	Registration issued under the Punjab Shops and Commercial Establishment Act, 1958 by the Inspector, Shops and Commercial Establishments, Ludhiana	444/5591	April 3, 2012	March 31, 2013
2.	Registration issued under the Rajasthan Shops and Commercial Establishment Act, 1958 by the Inspector, Shops and Commercial Establishments, Jodhpur	P/3157/2011	September 22, 2011 (valid from January 1, 2012)	December 31, 2016
3.	Registration issued under the Rajasthan Shops and Commercial Establishment Act, 1958 by the Inspector, Shops and Commercial Establishments, Bhilwara	S/19397	June 16, 2011 (valid from January 1, 2011)	December 31, 2015
4.	Registration issued under the Punjab Shops and Commercial Establishments Act, 1958 by Inspector, Shops and Commercial	PSA/REG/PKL/LI-PKL-1/0050238	May 31, 2011	March 31, 2013

S. No.	Particulars	Registration/Reference/License Number	Date of Registration/Renewal	Date of Expiry
	Establishments, Panchkula			
5.	Registration issued under the Uttar Pradesh Shops and Commercial Establishments Act, 1962, by Inspector, Shops and Commercial Establishments, Dehradun	33/D-19427	December 24, 2008	March 31, 2013
6.	Registration issued under the Madhya Pradesh Shops and Commercial Establishments Act, 1958, by Inspector, Shops and Commercial Establishments, Indore	18573/IND/S/10	December 13, 2010	December 31, 2014
7.	Registration issued under the Chhattisgarh Shops and Establishments Act, 1958, by Inspector, Shops and Commercial Establishments, Raipur	38797/RPR/S/2011	February 24, 2011	December 31, 2015
8.	Registration issued under the Uttar Pradesh Shops and Commercial Establishments Act, 1962 by the Inspector, Shops and Commercial Establishments, Lucknow	UPS094601000083	March 27, 2011	March 31, 2015
9.	Registration issued under the Punjab Shops and Commercial Establishment Act, 1958 by the Inspector, Shops and Commercial Establishments, Faridabad	PSA/REG/FBD/LI-FBD-2-4/0052063	July 27, 2011	March 31, 2014
10.	Registration issued under the Uttar Pradesh Shops and Commercial Establishments Act, 1962 by the Inspector, Shops and Commercial Establishments, Noida	35/8480	March 19, 2012 (valid from April 1, 2012)	March 31, 2017
11.	Registration issued under the Madhya Pradesh Shops and Establishments Act, 1958 by the Inspector, Shops and Commercial Establishments, Bhopal	29928/BDC/S/2010	December 2, 2010	December 31, 2014
12.	Registration issued under the Uttar Pradesh Shops and Commercial Establishments Act, 1962 by the Inspector, Shops and Commercial Establishments, Ghaziabad	1/8436F	May 21, 2010	March 31, 2015
13.	Registration issued under the Punjab Shops and Commercial Establishments Act, 1958 by the Inspector, Shops and Commercial Establishments, Gurgaon	PSA/REG/GGN/LI-GGN-3-7/0074285	October 9, 2012	March 31, 2015
14.	Registration issued under the Uttar Pradesh Shops and Commercial Establishments Act, 1962, by Inspector, Shops and Commercial Establishments, Haridwar, Uttarakhand	H-12436	April 1, 2012	March 31, 2016
15.	Registration issued under the Madhya Pradesh Shops and Establishments Act, 1958 by Labor Commissioner, Bilaspur, Chhattisgarh	2011000437	October 5, 2011	October 4, 2014
16.	Registration issued under the Rajasthan Shops and Commercial Establishment Act, 1958 by the Inspector of Shops and Establishments, Pali, Rajasthan	SH/13250/2011	January 6, 2012 (valid from January 1, 2012)	December 31, 2012
17.	Registration issued under the Delhi Shops & Establishment Act, 1954 by the Department of Labour,	2012009146	February 22, 2012	Not applicable.

S. No.	Particulars	Registration/Reference/License Number	Date of Registration/Renewal	Date of Expiry
	Government of NCT of Delhi (Karol Bagh)			
18.	Registration issued under the Delhi Shops & Establishment Act, 1954 by the Department of Labour, Government of NCT of Delhi (Preet Vihar)	2012003680	January 23, 2012	Not applicable.
19.	Registration issued under the Delhi Shops & Establishment Act, 1954 by the Department of Labour, Government of NCT of Delhi (South Extension)	2012003690	January 23, 2012	Not applicable.
20.	Registration issued under the Delhi Shops & Establishment Act, 1954 by the Department of Labour, Government of NCT of Delhi (Pitampura)	2012003675	January 23, 2012	Not applicable.
21.	Registration issued under the Rajasthan Shops and Commercial Establishment Act, 1958 by the Inspector of Shops and Establishments, Beawar, Rajasthan	17782/12	January 10, 2012 (valid from October 16, 2011)	December 31, 2013
22.	Registration issued under the Rajasthan Shops and Commercial Establishment Act, 1958 by the Inspector of Shops and Establishments, Ajmer, Rajasthan	3076	January 13, 2012 (valid from October 19, 2011)	December 31, 2012
23.	Registration issued under the Punjab Shops and Commercial Establishment Act, 1958 by the Inspector of Shops and Establishments, Chandigarh Circle - II	CH/22/RO/H2/877	March 22, 2012	March 31, 2013
24.	Registration issued under the Punjab Shops and Commercial Establishment Act, 1958 by the Inspector of Shops and Establishments, Amritsar, Punjab	ASR IV/2012/24/367	April 2, 2012	March 31, 2013
25.	Registration issued under the Delhi Shops & Establishment Act, 1954, by the Department of Labour, Government of NCT of Delhi (Greater Kailash –I)	2012028052	June 27, 2012	Not applicable.
26.	Registration issued under the Delhi Shops & Establishment Act, 1954, by the Department of Labour, Government of NCT of Delhi (Rajouri Garden)	2012028018	June 27, 2012	Not applicable.
27.	Registration issued under the Punjab Shops and Commercial Establishments Act, 1958, by the Inspector, Shops and Establishments, Labour Department Chandigarh (Rohtak)	PSA/REG/RTK/LI-RTK-1/0072794	September 13, 2012	March 31, 2015
28.	Registration issued under the Delhi Shops & Establishment Act, 1954, by the Department of Labour, Government of NCT of Delhi (Kingsway Camp)	2012036705	August 29, 2012	Not applicable
29.	Registration issued under the Uttar Pradesh Shops and Commercial Establishments Act, 1962, issued by the Chief Inspector of Shops and Establishments, Kanpur	1-20/954/1599	June 16, 2012	March 31, 2017
30.	Registration issued under the Uttar	UPS052827000588	August 29, 2012	March 31, 2017

S. No.	Particulars	Registration/Reference/License Number	Date of Registration/Renewal	Date of Expiry
	Pradesh Shops and Commercial Establishments Act, 1962, issued by the Labour Commissioner Organization, Uttar Pradesh (Indirapuram)		(valid from April 1, 2012)	

Trade licenses under local Municipal Corporation Acts

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
1.	Trade license issued under the Madhya Pradesh Municipal Corporation Act, 1956 by the Zonal Officer, Municipal Corporation, Bhopal	License No. 810/19; Reg. No.: 30/1121	May 9, 2012 (valid from April 1, 2012)	March 31, 2013
2.	Trade license issued under the Madhya Pradesh Municipal Corporation Act, 1956 by the Zonal Officer, Municipal Corporation, Indore	License No. 5461/2012/IMC/TL/019C-M	May 19, 2012	March 31, 2013
3.	Trade license issued under the Delhi Municipal Corporation Act, 1957 by the Competent Authority, Municipal Corporation of Delhi (Karol Bagh)	Ref No.: 500952	April 11, 2012	March 31, 2015
4.	Trade license issued under the Punjab Municipal Corporation Act, 1976, by the Municipal Corporation, Amritsar	16708	April 3, 2012	March 31, 2013
5.	Trade license issued under the Delhi Municipal Corporation Act, 1957, by the Municipal Corporation, Delhi (Pitampura)	Ref No.: 501677	April 17, 2012	March 31, 2013
6.	Trade license issued under the Chhattisgarh Municipal Corporation Act, 1956, by the Municipal Corporation, Bilaspur	License No. III 221/17	March 16, 2012	March 31, 2013
7.	Trade license issued under the Chhattisgarh Municipal Corporation Act, 1956, by the Municipal Corporation, Raipur	13402	March 14, 2012	March 31, 2013
8.	Trade license issued under the Punjab Municipal Corporation Act, 1976, by the Municipal Corporation, Ludhiana	L-1-592	March 13, 2012	March 31, 2013
9.	Trade license issued under the Delhi Municipal Corporation Act, 1957, by the Municipal Corporation, Delhi (Preet Vihar)	TLSS0153966	June 29, 2012	March 31, 2013
10.	Trade license issued under the Delhi Municipal Corporation Act, 1957, by the Municipal Corporation, Delhi (South Extension)	TLCNO153836	May 22, 2012	March 31, 2013
11.	Trade license issued under the Delhi Municipal Corporation Act, 1957, by the Municipal Corporation, Delhi (Panchkula)	883	May 30, 2012	March 31, 2013

Pending Applications

- Application dated September 26, 2012 to the Municipal Corporation of Delhi, for the grant of trade license issued under the Delhi Municipal Corporation Act, 1957 for the showroom at Greater Kailash

Part-I.

- Application dated September 26, 2012 to the Municipal Corporation of Delhi, for the grant of trade license issued under the Delhi Municipal Corporation Act, 1957 for the showroom at Kingsway Camp.

- Application dated October 4, 2012 to the Municipal Corporation of Delhi, for the grant of trade license issued under the Delhi Municipal Corporation Act, 1957 for the showroom at Rajouri Garden.

Weights and Measures

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
1.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Government of NCT of Delhi (for Preet Vihar showroom)	VC No. 20120511170003	May 11, 2012	June 30, 2013
2.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Government of NCT of Delhi (for Pitampura showroom)	VC No. 20120107110033	January 7, 2012	March 31, 2013
3.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Government of NCT of Delhi (for Karol Bagh showroom)	VC No. 20120720180051	July 20, 2012	September 30, 2013
4.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Panchkula, Haryana	Ref. No. 92/2754	December 19, 2011	December 18, 2012
5.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Bhilwara, Rajasthan	Ref. No. 537	February 14, 2012	January 14, 2013
6.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Bhopal, Madhya Pradesh	Ref. No. 1947	October 5, 2012	October 4, 2013
7.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Legal Metrology, Chandigarh	Ref No. 0009292	January 10, 2012	January 9, 2013
8.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Dehradun	Ref No. 061135	January 13, 2012	January 12, 2013
9.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985	Ref. No. 1304	December 30, 2011	December 29, 2012

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
	by the Officer, Weights and Measures, Legal Metrology, Faridabad, Haryana			
10.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Ghaziabad, Noida	Ref. No. 2821	April 17, 2012	April 17, 2013
11.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Jodhpur, Rajasthan	Ref. No. 4568	November 6, 2012	November 5, 2013
12.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Lucknow	Ref. No. 219532	July 24, 2012	July 24, 2013
13.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Ludhiana	Ref. No. 605409	April 10, 2012	April 9, 2013
14.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Noida	Ref. No. 40581	January 6, 2012	January 6, 2013
15.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Gurgaon, Haryana	Ref. No. 512	May 7, 2012	May 1, 2013
16.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Indore, Madhya Pradesh	Ref. No. 10261	August 24, 2012	August 23, 2013
17.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Haridwar, Uttarakhand	Ref No. 282	July 10, 2012	July 9, 2013
18.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Pali, Rajasthan	Ref No. 1657	April 14, 2012	April 13, 2013
19.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Bilaspur, Chhattisgarh	Ref No. 7211	September 12, 2012	September 11, 2013
20.	Certificate of verification issued under the Standard of Weights and	Ref No 66	September 24, 2012	September 23, 2013

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
	Measures (Enforcement) Act, 1985 by the Inspector, Weights and Measures, Legal Metrology, Raipur, Chhattisgarh			
21.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Government of NCT of Delhi (for South Extension showroom)	VC20120725130010	July 25, 2012	September 30, 2013
22.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Jodhpur, Rajasthan (Beawar)	Ref No. 1327	November 19, 2012	November 19, 2013
23.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Jalandhar, Punjab (Amritsar)	Ref No. 772165	October 8, 2012	October 5, 2013
24.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Jodhpur, Rajasthan (Ajmer)	Ref No. 740	November 19, 2012	November 18, 2013
25.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Government of NCT of Delhi (for Indirapuram showroom)	Ref No. 128210	July 27, 2012	July 27, 2013
26.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Government of NCT of Delhi (for Kingsway Camp showroom)	VC20120807120006	August 7, 2012	September 30, 2013
27.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Kanpur	Ref No. 107304	May 18, 2012	May 18, 2013
28.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Rohtak	Ref No. 0000063	June 11, 2012	June 10, 2013
29.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985 by the Officer, Weights and Measures, Legal Metrology, Government of NCT of Delhi (for Greater Kailash-I showroom)	VC20120613120009	June 13, 2012	June 30, 2013
30.	Certificate of verification issued under the Standard of Weights and Measures (Enforcement) Act, 1985	VC20120222120006	February 22, 2012	March 31, 2013

S. No.	Particulars	Registration/Reference/License Number	Date of Registration	Date of Expiry
	by the Officer, Weights and Measures, Legal Metrology, Government of NCT of Delhi (for Rajouri Garden showroom)			

Intellectual Property Registrations

Our Company owns the following trademarks registered under the Trademarks Act:

S. No.	Trade Mark	Class	Registration No.	Date of Registration	Date of Expiry
1.	PC Jewellers	14	1354273	May 2, 2005	May 2, 2015
2.	P.C.	2	1657028	February 22, 2008	February 22, 2018
3.	P.C.	3	1657029	February 22, 2008	February 22, 2018
4.	P.C.	4	1657030	February 22, 2008	February 22, 2018
5.	P.C.	6	1657032	February 22, 2008	February 22, 2018
6.	P.C.	7	1657033	February 22, 2008	February 22, 2018
7.	P.C.	8	1657034	February 22, 2008	February 22, 2018
8.	P.C.	13	1658101	February 26, 2008	February 26, 2018
9.	P.C.	14	1374037	July 27, 2005	July 27, 2015
10.	P.C.	15	1658103	February 26, 2008	February 26, 2018
11.	P.C.	17	1658105	February 26, 2008	February 26, 2018
12.	P.C.	19	1662670	March 10, 2008	March 10, 2018
13.	P.C.	20	1662671	March 10, 2008	March 10, 2018
14.	P.C	21	1662672	March 10, 2008	March 10, 2018
15.	P.C	22	1662673	March 10, 2008	March 10, 2018
16.	P.C	23	1662674	March 10, 2008	March 10, 2018
17.	P.C.	26	1662677	March 10, 2008	March 10, 2018
18.	P.C.	28	1668850	March 26, 2008	March 26, 2018
19.	P.C.	29	1668851	March 26, 2008	March 26, 2018
20.	P.C.	30	1668852	March 26, 2008	March 26, 2018
21.	P.C.	32	1668854	March 26, 2008	March 26, 2018
22.	P.C.	33	1668855	March 26, 2008	March 26, 2018
23.	P.C.	34	1668856	March 26, 2008	March 26, 2018
24.	P.C.	35	1668857	March 26, 2008	March 26, 2018
25.	P.C.	36	1668858	March 26, 2008	March 26, 2018
26.	P.C.	37	1668859	March 26, 2008	March 26, 2018
27.	P.C.	38	1668860	March 26, 2008	March 26, 2018
28.	P.C.	39	1668861	March 26, 2008	March 26, 2018
29.	P.C.	40	1668862	March 26, 2008	March 26, 2018
30.	P.C.	41	1668863	March 26, 2008	March 26, 2018
31.	P.C.	42	1668864	March 26, 2008	March 26, 2018
32.	Shringaar (in Hindi)	35	1601671	September 13, 2007	September 13, 2017
33.	Shringaar	35	1601679	September 13, 2007	September 13, 2017
34.	PCJ Group	14	1678668	April 22, 2008	April 22, 2018
35.	PCJ and Logo	35	1873687	October 15, 2009	October 15, 2019
36.	PCJ and Logo Jeweller for generations	35	1873688- 1873689	October 15, 2009	October 15, 2019
37.	PCJ and Logo Jeweller for generations	14	1873690	October 15, 2009	October 15, 2019
38.	Logo	35	1873691	October 15, 2009	October 15, 2019
39.	Logo	14	1873692	October 15, 2009	October 15, 2019
40.	PCJ and Logo Jeweller for generations	14	1873693	October 15, 2009	October 15, 2019
41.	PCJ and Logo	14	1873695	October 15, 2009	October 15, 2019

Our Company has made the following applications for the registration of their trademarks, which are pending as on date of this Red Herring Prospectus:

Sl. No.	Date of Application for Registration	Trademark applied for	Trademark No.	Class
1.	July 7, 2011	PC Jeweller	2173659 and 2173660	14, 35
2.	July 27, 2005	P.C.	1374036	25
3.	February 22, 2008	P.C.	1657027	1
4.	February 22, 2008	P.C.	1657031	5
5.	February 26, 2008	P.C.	1658097-1658100, 1658102, 1658104, 1658106	9-12, 14, 16, 18
6.	March 10, 2008	P.C.	1662675, 1662676	24, 25
7.	March 26, 2008	P.C.	1668849 and 1668853	27 and 31
8.	October 15, 2009	PCJ	1873694	14
9.	October 15, 2009	PCJ	1873696	35
10.	November 10, 2009	PCJ and Logo Jeweller for generations PC Jeweller [P] Ltd.	1882621	14
11.	November 10, 2009	PCJ (logo) Jeweller for generations PC Jeweller [P] Ltd.	1882622	35
12.	November 10, 2009	PCJ and Logo Jeweller for generations	1882623	14
13.	November 10, 2009	PCJ and Logo Jeweller for generations	1882624	35
14.	November 10, 2009	PCJ and Logo	1882625	14
15.	November 10, 2009	PCJ and Logo	1882626	35
16.	November 10, 2009	PCJ	1882627	14
17.	November 10, 2009	PCJ	1882628	35
18.	November 10, 2009	PCJ and Logo Jeweller for generations	1882629	14
19.	November 10, 2009	PCJ and Logo Jeweller for generations	1882630	35
20.	November 10, 2009	Logo	1882631	14
21.	November 10, 2009	Logo	1882632	35
22.	September 13, 2012	JEWELS FOR LESS	N/A	14
23.	September 13, 2012	JEWELS FOR LESS	N/A	35
24.	September 13, 2012	SWARN MANJUSHA	N/A	14
25.	September 13, 2012	SWARN MANJUSHA	N/A	35

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

- Our Board of Directors has, pursuant to its resolutions dated August 19, 2011 and August 28, 2012, authorized the Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

- Our shareholders have, pursuant to resolutions dated September 16, 2011 and September 25, 2012, under Section 81(1A) of the Companies Act, authorized the Issue.

In-principle Approval

- We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated November 4, 2011 and November 18, 2011, respectively. BSE is the Designated Stock Exchange.

Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, our Promoters, our Promoter Group, our Directors, our Group Entities and persons in control of our Company have not been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of the Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Neither our Company, nor our Promoters, Group Entities, nor our Directors, nor the relatives (as per the Companies Act) of our Promoters, have been detained as wilful defaulters by the RBI or any other governmental authorities. For further details, see "***Risk Factors***" and "***Our Promoters and Group Entities***" on pages 14 and 155, respectively.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations as described below:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of twelve months each) of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of twelve months each);
- The aggregate of the proposed issue size and all previous issues made in the same financial year in terms of issue size is not expected to exceed five times the pre-issue net worth of our Company as per the audited balance sheet of our Company for the preceding financial year; and
- Our Company has changed its name within the last one year pursuant to its conversion into a public limited company. Further, at least 50% of the revenue for the preceding one full year, i.e., fiscal 2011 has been earned by our Company from the activity indicated by the new name.

The net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, pre-tax operating profit and net worth, which are derived from the restated financial statements of our Company, as of and for the three years ended March 31, 2012, March 31, 2011 and March 31, 2010 and our restated consolidated financial statements as of and for the year ended March 31, 2012, included in this Red Herring Prospectus, are set forth below.

(₹ in million)

Particulars	Fiscal 2012[(5)]	Fiscal 2012[(5)]	Fiscal 2011[(5)]	Fiscal 2010[(5)]
	Consolidated	Standalone		
Net Tangible assets [(1)]	5,571.75	5,575.36	3,265.03	1,535.71
Monetary assets [(2)]	114.04	112.98	190.58	407.74
Monetary assets as a % of Net tangible assets	2.05%	2.03%	5.84%	26.55%
Net Worth [(3)]	5,553.54	5,557.15	3,256.69	1,520.35
Pre-tax operating profits [(4)]	3,246.98	3,246.95	1,959.29	966.12

(1) 'Net tangible assets' are defined as the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.
(2) Monetary assets comprise of cash and bank balances.
(3) 'Net worth' has been defined as the aggregate of the paid up share capital, share application money, and reserves and surplus excluding miscellaneous expenditure, if any.
(4) 'Pre-tax operating profits' comprise of profit from operations before other income, interest and exceptional items in accordance with Clause 41 1(A) of the Equity Listing Agreements.
(5) Fiscal 2012, 2011 and 2010 are the three most profitable years out of the immediately preceding five financial years in terms of our restated consolidated financial statements.

Hence, our Company is eligible under Regulation 26(1) to undertake the Issue. Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Issue shall be not less than 1,000, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum* on application money, as prescribed under Section 73 of the Companies Act.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING SBI CAPITAL MARKETS LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AND THE CO-BOOK RUNNING LEAD MANAGER, BEING IDBI CAPITAL MARKET SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, SBI CAPITAL MARKETS LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AND THE CO-BOOK RUNNING LEAD MANAGER, IDBI CAPITAL MARKET SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2011 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION SUCH AS COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY,**

   WE CONFIRM THAT:

   A. **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   C. **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND UNTIL DATE SUCH REGISTRATION IS VALID – NOTED FOR COMPLIANCE*;**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE;**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS;**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS;**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE;**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – <u>NOTED FOR COMPLIANCE</u>;**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – <u>NOT APPLICABLE;</u>**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    A. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    B. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMs AND THE CBRLM ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

** The SEBI registration of IndusInd Bank Limited, one of the Escrow Collection Banks, was valid up to October 15, 2012. An application for grant of permanent registration has been made by IndusInd Bank Limited on July 10, 2012, to SEBI, three months before the expiry of the period of the certificate as required under Regulation 7A of the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended. The approval from SEBI is currently awaited. No communication has been received by IndusInd Bank Limited from SEBI rejecting the said application.*

Price information of the past public issues handled by the BRLMs and the CBRLM

1. Price information of past public issues handled by SBI Capital Markets Limited:

S. No	Issue Name	Issue Size (₹ Cr)	Issue price	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (Closing) Vs Issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (closing)
1	Goenka Diamonds & Jewels Limited	126.51	135.00	16-Apr-10	130.00	127.85	-5.30%	17,591.18	113.65	17,745.28	103.05	17,087.96	97.95	16,835.56
2	SJVN Limited	1,062.73	26.00	20-May-10	27.10	25.10	-3.46%	4,947.60	24.70	5,086.30	24.10	4,987.10	24.10	5,262.60
3	Jaypee Infratech Limited	2,257.60	102.00	21-May-10	98.00	91.45	-10.34%	4,931.15	83.50	5,086.30	76.20	5,000.30	86.30	5,353.30
4	Microsec Financial Services Limited	147.50	118.00	05-Oct-10	135.10	110.90	-6.02%	20,407.71	91.00	20,497.64	88.60	20,303.12	79.40	20,465.74
5	Electrosteel Steels Limited	285.28	11.00	08-Oct-10	12.35	11.25	2.27%	20,250.26	10.80	20,168.89	10.95	20,005.37	11.12	20,852.38
6	Tecpro Systems Limited	267.91	355.00	12-Oct-10	399.40	407.85	14.89%	20,203.34	399.95	20,260.58	425.50	20,355.63	418.20	20,875.71
7	A2Z Maintenance & Engineering services limited	776.25	400.00	23-Dec-10	390.00	328.90	-17.78%	19,982.88	327.35	20,561.05	302.85	19,196.34	302.85	19,007.53
8	Punjab & Sind Bank	470.82	120.00	30-Dec-10	146.10	127.05	5.88%	20,389.07	118.55	19,224.12	119.85	19,092.05	110.20	18,395.97
9	PTC India Financial Services Limited	433.48	28.00	30-Mar-11	26.75	24.90	-11.07%	5,787.65	23.40	5,842.00	22.05	5,729.10	22.20	5,785.45
10	PTC India Financial	433.48	28.00	30-Mar-11	26.75	24.90	-11.07%	5,787.65	23.00	5,785.70	21.50	5,740.75	21.65	5,749.50

S. No	Issue Name	Issue Size (₹ Cr)	Issue price	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (Closing) Vs Issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (closing)
	Services Limited													

Note: The 10th, 20th and 30th calendar day computation includes the listing day. If either of the 10th, 20th or 30th calendar days is a trading holiday, the next trading day is considered for the computation.

Summary statement of price information of past issues handled by SBI Capital Markets Limited:

Financial year	Total no. Of IPOs	Total funds raised (₹ Cr)	Number of IPOs trading at a discount on listing date			Number of IPOs trading at a premium on listing date			Number of IPOs trading at a discount as on 30th calendar day from listing day			Number of IPOs trading at a premium as on 30th calendar day from listing day		
			Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
2010-11	9	5,828.08	0	0	6	0	0	3	0	2	5	0	0	2
2011-12	0	0.00	None											
2012-13	0	0.00												

Note: The 30th calendar day computation does not include the listing day. If the 30th calendar day is a trading holiday, the next trading day is considered for the computation.

2. Price information of past public issues handled by Kotak Mahindra Capital Company Limited:

Sr. No.	Issue Name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Speciality Restaurants Ltd.	1,760.91	150.00	May 30, 2012	152.00	159.60	6.40%	4,950.75	182.45	5,068.35	206.65	5,064.25	213.05	5,149.15
2	Future Ventures India Limited	7,500.00	10.00	May 10, 2011	9.00	8.20	(18.00)%	5,541.25	8.15	5,428.10	8.10	5,473.10	8.75	5,526.85
3	Muthoot	9,012.50	175.00	May 6,	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	155.45	5,348.95	175.25	5,532.05

Sr. No.	Issue Name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
	Finance Limited			2011										
4	Coal India Limited[1]	151,994.40	245.00	November 4, 2010	291.00	342.55	39.82%	6,281.80	317.20	6,121.60	320.15	5,934.75	321.95	5,992.80
5	Prestige Estates Projects Limited	12,000.00	183.00	October 27, 2010	190.00	193.15	5.55%	6,012.65	205.85	6,312.45	197.10	6,121.60	162.95	5,799.75
6	Oberoi Realty Limited	10,286.12	260.00	October 20, 2010	271.10	282.90	8.81%	5,982.10	279.05	6,017.70	289.60	6,273.20	266.00	5,998.80
7	Tecpro Systems Limited[2]	2,676.85	355.00	October 12, 2010	380.00	405.70	14.28%	6,090.90	399.90	6,101.50	424.55	6,117.55	417.70	6,275.70
8	Eros International Media Limited	3,500.00	175.00	October 6, 2010	205.45	190.25	8.71%	6,186.45	175.55	6,062.65	185.40	6,105.80	191.50	6,281.80
9	Gujarat Pipavav Port Limited	5,538.54	46.00	September 9, 2010	56.10	54.05	17.50%	5,640.05	54.85	5,980.45	60.30	6,029.50	59.35	6,103.45
10	Bajaj Corp Limited	2,970.00	660.00	August 18, 2010	760.00	758.75	14.96%	5,479.15	730.45	5,408.70	730.00	5,576.95	726.95	5,828.70

Source: www.nseindia.com

[1] *In Coal India Limited, the issue price after discount to the retail individual bidders and the eligible employees was ₹232.75 per equity share.*

[2] *In Tecpro Systems Limited, the issue price after discount to the eligible employees was ₹338 per equity share.*

Notes: a. In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered;
b. S&P CNX Nifty has been considered as the benchmark index.

Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited:

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2012 – October 20, 2012	1	1,760.91	-	-	-	-	-	1	-	-	-	-	1	-

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2012	2	16,512.50	-	-	1	-	-	1	-	-	1	-	-	1
2011	11	234,579.83	-	-	2	-	1	8	-	1	2	-	3	5

Source: www.nseindia.com

Notes: a. In the event any day falls on a holiday, the price/ index of the immediately succeeding working day has been considered;
b. S&P CNX Nifty has been considered as the benchmark index.

3. Price information of past public issues handled by IDBI Capital Market Services Limited:

Sr. No.	Issue Name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Thejo Engineering Limited	190.00	402.00	September 18, 2012	403.00	403.00	0.25%	5,600.05	375.00	5,649.50	375.00	5,746.95	392.90	5,660.25
2	NBCC Limited	1,272.00	106.00	April 12, 2012	101.00	96.95	-8.54%	5,276.85	96.35	5,200.60	94.75	5,239.15	86.55	4,928.90
3	SRS Limited	2,030.00	58.00	September 16, 2011	68.00	33.25	-42.67%	5,084.25	33.85	4,835.40	30.15	4,888.05	35.40	5,118.25
4	Aanjaneya Lifecare Limited	1,170.00	234.00	May 27, 2011	218.00	311.10	32.95%	5,476.10	376.70	5,532.05	364.40	5,447.50	390.45	5,526.60
5	MOIL Limited	12,379.50	375.00	December 15, 2010	565.00	465.05	24.01%	5,892.30	448.85	6,011.60	453.95	6,157.60	442.15	5,751.90
6	Gujarat Pipavav Port Limited	5,538.50	46.00	September 9, 2010	56.10	54.05	17.50%	5,640.05	54.85	5,980.45	60.30	6,029.50	59.35	6,103.45
7	SJVN Limited	10,439.10	26.00	May 20, 2010	27.10	25.10	-3.46%	4,947.60	24.70	5,086.30	24.10	4,987.10	24.10	5,262.60
8	ARSS Infrastructure	1,030.00	450.00	March 03, 2010	630.00	737.45	63.88%	5,088.10	750.40	5,137.00	908.90	5,205.20	991.75	5,290.50

Sr. No.	Issue Name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
	Projects Limited													
9	JSW Energy Limited	26,510.00	100.00	January 04, 2010	106.00	100.85	0.85%	5,232.20	117.70	5,233.95	110.05	5,007.90	105.15	4,830.10
10	Astec Life Sciences	615.00	82.00	November 25, 2009	83.00	84.00	2.44%	5,108.45	86.90	5,108.90	87.70	5,105.70	82.05	5,178.40

Notes:
In case of discounts given to certain categories of investors, the undiscounted issue price has been taken as the issue price.
Issue size has been taken net of promoter's contribution, if any.
The 10th, 20th and 30th calendar day computation includes the listing day. If the 10th, 20th and 30th calendar day from listing day is not a working day, closing price on next working day has been taken.
All prices are according to trades on NSE and the benchmark index is the Nifty. If the stock is not listed on the NSE (Rishabhdev), the BSE prices are taken and SENSEX is the benchmark.

Summary statement of price information of past issues handled by IDBI Capital Market Services Limited:

Financial Year	Total No. of IPOs	Total Funds Raised (₹Cr)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2012-2013	2	146.20			1			1			2			
2011-2012	2	320.00		1			1			1		1		
2010-2011	3	2,835.71			1			2			1		1	1
2009-2010	4	2,838.12			1	1		2		1		1		2

Note: Total Funds raised is taken as the sum of individual Issue Size.

Track record of the past public issues managed by the BRLMs and the CBRLM

For details regarding the track record of the performance of the past public issues managed by the BRLMs and the CBRLM as specified in Circular CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs and CBRLM at http://www.sbicaps.com/UploadPdf/Track%20Record%20Equity %20Issues.pdf; http://investmentbank.kotak.com/track-record/Disclaimer.html and http://www.idbicapital.com/offer_documentTR.asp, respectively.

Caution - Disclaimer from our Company, the BRLMs and the CBRLM

Our Company, our Directors, the BRLMs and the CBRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.pcjeweller.com, would be doing so at his or her own risk.

The BRLMs and the CBRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the BRLMs, the CBRLM and our Company dated September 28, 2011, and the Underwriting Agreement to be entered into among the Underwriters and our Company.

All information shall be made available by our Company, the BRLMs and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Our Company and the Syndicate shall not be liable to the Bidders for any failure in uploading the Bids, due to faults in any software/hardware system, or otherwise.

The BRLMs, the CBRLM and their respective associates may engage in transactions with, and perform services for our Company, our Group Entities and our respective affiliates and associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or our Group Entities or our respective affiliates or associates for which they have received, and may in future receive compensation.

Bidders that bid in the Issue will be required to confirm, and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in Respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorized under their constitution to hold and invest in equity shares, permitted insurance companies and pension funds, and to Eligible NRIs applying under Schedule 4 of FEMA 20 and Foreign Institutional Investors ("**FIIs**") applying under the 'portfolio investment scheme' set out in Schedule 2 of FEMA 20, provided they are eligible under applicable laws and regulations to purchase the Equity Shares. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares issued hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was filed with the SEBI for the purpose of receiving its observations and the SEBI has given its observations. Accordingly, the Equity Shares represented hereby may not be issued or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs"), in reliance on Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of the BSE

BSE has given vide its letter dated November 4, 2011, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
(ii) warrant that this Company's securities will be listed or will continue to be listed on Exchange; or
(iii) take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of the offer document has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/150483-P dated November 18, 2011 permission to the Issuer to use the Exchange's name in this offer document as one of the stock exchanges on which the Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus was filed with the SEBI at Corporation Finance Department, Securities and Exchange Board of India, SEBI Bhawan, C – 4A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC situated at the address mentioned below.

The Registrar of Companies, National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India

Listing

Application has been made to the Stock Exchanges for obtaining permission for listing of the Equity Shares being issued and sold in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in reliance of this Red Herring Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum* on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date.

Consents

Consents in writing of: (a) our Directors, the Company Secretary and Compliance Officer, the Auditors, the legal counsels, the Bankers to our Company, the Bankers to the Issue, lenders, Monitoring Agency; and (b) the BRLMs, the CBRLM, the Syndicate Members and the Registrar to the Issue to act in their respective capacities, has been obtained and will be filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus and the Prospectus with the RoC.

Walker Chandiok and Company, Chartered Accountants, and Sharad Jain Associates, Chartered Accountants, our Auditors, have given their written consent to the inclusion of their report in the form and context in which it appears in "***Financial Statements***" on page 163 and of their report relating to tax benefits accruing to our Company in the form and context in which it appears in "***Statement of Tax Benefits***" on page 91 and such consent and report shall not be withdrawn up to the time of delivery of this Red Herring Prospectus and the Prospectus with the RoC.

CARE Research and CRISIL, the agencies engaged by our Company for the purpose of obtaining IPO grading in respect of the Issue, have given their written consent to the inclusion of their reports in the form and context in which they appear in this Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of this Red Herring Prospectus and the Prospectus with the RoC.

Expert Opinion

Except for the reports of CARE Research and CRISIL in respect of the IPO Grading of the Issue (copies of which are annexed to this Red Herring Prospectus as '***Annexure I***'), furnishing the rationale for their grading and except for the reports of the Auditors of our Company on the restated financial statements, the restated consolidated financial statements and the '***Statement of Tax Benefits***', included in this Red Herring Prospectus, our Company has not obtained any expert opinions.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees.

The details of the estimated Issue expenses are set forth below:

(₹ in million)

Activity	Estimated expenses*	As a % of the total estimated Issue expenses	As a % of the total Issue size
Fees payable to the Book Running Lead Managers and the Co-Book Running Lead Manager	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar	[●]	[●]	[●]
Underwriting commission, fees payable to the Bankers to the Issue, brokerage and selling commission, as applicable	[●]	[●]	[●]
Commission payable to the members of the Syndicate and the SCSBs, and processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate and submitted with the SCSBs**	[●]	[●]	[●]
Others (legal fees, IPO Grading expense, listing fees, printing and stationery expenses etc.)	[●]	[●]	[●]
Total estimated Issue expenses	**[●]**	**[●]**	**[●]**

**Will be incorporated at the time of filing of the Prospectus.*
***SCSBs would be entitled to a processing fee of ₹ 20.00 per Bid-cum-Application Form, for processing the Bid-cum-Application Forms procured by the members of the Syndicate and submitted to SCSBs.*

Fees, Brokerage and Selling Commission

The total fees payable to the BRLMs, the CBRLM and Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the engagement letter with the BRLMs dated May 2, 2011 and the engagement letter with the CBRLM dated June 8, 2011, issued by our Company, a copy of which is available for inspection at our Registered Office and our Corporate Office. Further, the expenses of the Issue also includes, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, Registrar and depository fees, commissions and processing fees payable to SCSBs, statutory advertisement expenses and listing fees.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue including fees for processing of Bid-cum-Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 27, 2011, signed among our Company and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office and our Corporate Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment Advice by registered post/speed post (subject to postal rules).

Particulars regarding Public or Rights Issues during the last five years

There have been no public or rights issues undertaken by our Company during the five years preceding the date of this Red Herring Prospectus.

Commission or brokerage on previous issues

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since our incorporation.

Previous Issues otherwise than for Cash

As on the date of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital Issues in the Preceding Three Years

Our Company and our Group Entities have not made any capital issues during the three years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects

Our Company has not completed any public or rights issue in the 10 years preceding the date of the Draft Red Herring Prospectus.

Performance vis-s-vis objects: Last Issue of Group Entities or associate companies

None of our Group Entities or our associate companies have made any public or rights issues in the 10 years preceding the date of the Draft Red Herring Prospectus.

Outstanding Debentures, Bonds or Redeemable Preference Shares

As on the date of this Red Herring Prospectus, our Company does not have any outstanding debentures, bonds or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares of our Company are not listed on any stock exchange and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances by our Company

The agreement dated September 27, 2011 between the Registrar to the Issue and our Company, provides for retention of records with the Registrar to the Issue for a minimum period of three years from the last date of dispatch of letters of Allotment, demat credit or refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All future communications in connection with queries related to Allotment, credit of Equity Shares, refunds, non-receipt of Allotment Advice and other post-Issue matters should be addressed to the Registrar to the Issue. In case of ASBA Bids submitted to the SCSBs, the Bidders should contact the relevant SCSB. In case of queries related to ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the

Bidders should contact the relevant member of the Syndicate. All such communications should quote the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch, as the case may be, where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Payment Amount was blocked. All grievances relating to the ASBA process may also be copied to the Registrar to the Issue.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Company Secretary and Compliance Officer

Our Company has appointed Mr. Vijay Panwar, Company Secretary, as the Compliance Officer who may be contacted in case of any pre-Issue or post-Issue related problems at the following address or on the following telephone and facsimile numbers or e-mail address:

Mr. Vijay Panwar, Company Secretary

C-54, Preet Vihar
New Delhi 110 092
India
Tel: (+91 11) 4971 4971 Extn.: 222
Fax: (+91 11) 4971 4972
E-mail: investors@pcjewellers.com

Mechanism for Redressal of Investor Grievances by Group Entities and Companies under the Same Management

There is no listed company under the same management as our Company.

Changes in Auditors

The change in our Auditors during the last three years are as follows:

Name of Auditor	Date of appointment	Date of cessation	Reason
Walker Chandiok and Company, Chartered Accountants	March 28, 2011	Liable to retire at the ensuing AGM*.	Appointed as joint statutory auditors of our Company

**Walker Chandiok and Company, Chartered Accountants were re-appointed as joint statutory auditors of our Company for fiscal 2013, by the shareholders of our Company at the annual general meeting held on September 25, 2012.*

Capitalisation of Reserves or Profits

Except as stated in "***Capital Structure***" on page 71, we have not capitalised our reserves or profits at any time during the five years preceding the date of this Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

SECTION VII – ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The Issue of 45,133,500 Equity Shares of face value ₹ 10 each, at the Issue Price of ₹ [●] for cash, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million, is being made through the Book Building Process. The Issue shall constitute 25.20 % of the post-Issue paid-up Equity Share capital of our Company and the Net Issue shall constitute 25.00% of the post-Issue paid-up Equity Share capital of our Company. The Issue comprises a Net Issue of 44,775,000 Equity Shares to the public and a reservation of 358,500 Equity Shares for Eligible Employees bidding in the Employee Reservation Portion.

	Eligible Employees	**QIB Bidders***	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation**	358,500 Equity Shares	22,387,500 Equity Shares, or Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 6,716,250 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 15,671,250 Equity Shares or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for allocation	Approximately 0.79% of the Issue. The Employee Reservation Portion comprises approximately 0.20% of our Company's post-Issue paid-up Equity Share capital	50% of the Net Issue will be available for allocation to QIBs. However, 5% of the QIB Portion, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund portion will be available for allocation to QIBs	Not less than 15% of the Net Issue or Net Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed	Proportionate	Proportionate as follows: (a) [●] Equity Shares will be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares will be available for allocation on a proportionate basis to QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds 15,671,250 Equity Shares, then the maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to Retail Individual Bidders will then be made in the following manner: • In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such

	Eligible Employees	QIB Bidders*	Non-Institutional Bidders	Retail Individual Bidders
				Retail Individual Bidders shall be Allotted the minimum Bid Lot; and (ii) the available balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the Retail Individual Bidders who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot). • In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be Allotted minimum Bid Lot shall be determined the basis of draw of lots. For details see, "***Issue Procedure – Illustration Explaining Procedure of Allotment to Retail Individual Bidders***" on page 391.
Mode of Bidding	Both the ASBA process and the non-ASBA process are available to Eligible Employees	Through ASBA process only	Through ASBA process only	Both the ASBA process and the non-ASBA process are available to Retail Individual Bidders
Minimum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares so that the Payment Amount exceeds ₹ 2,00,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Payment Amount exceeds ₹ 2,00,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Payment Amount does not exceed ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Payment Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

	Eligible Employees	QIB Bidders*	Non-Institutional Bidders	Retail Individual Bidders
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply***	Eligible Employees applying for Equity Shares such that the Payment Amount does not exceed ₹ 200,000	Public financial institutions specified in Section 4A of the Companies Act, FIIs (and their sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual), scheduled commercial banks, Mutual Funds, venture capital funds, Alternative Investment Fund registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority (“**IRDA**”), provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy and air force of the Union of India and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of GoI published in the Gazette of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts and any FII sub-account registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Payment Amount exceeds ₹ 200,000 in value	Resident Indian Individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Payment Amount does not exceed ₹ 200,000 in value
Terms of Payment	The entire Payment Amount will be payable at the time of submission of the Bid-cum-Application Form to the SCSB or the member of the Syndicate at the Syndicate ASBA Bidding Location or the Syndicate, as the case may be. In case of ASBA Bidders, the SCSB will be authorized to block funds equivalent to the Payment Amount in the relevant ASBA Account as detailed in the Bid-cum-Application Form.			

* *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor, and (iii) minimum of five and maximum of 25 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Payment Amount is at least ₹ 100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above Anchor Investor Issue Price.*

** *Pursuant to Rule 19 (2) (b) (i) of the SCRR, the Net Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, where 50% of the Net Issue will be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid*

Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

**** In case of joint Bids, the Bid-cum-Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid-cum-Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares.

RBI has by a letter (FE.CO.FID/23413/10.78.000(38)/2011-12) dated April 4, 2012 clarified that FIIs participating in the Issue may be guided by Schedule 2 of the FEMA 20 and NRIs participating on repatriation or non-repatriation basis in the Issue may be guided by Schedules 3 and 4 of the FEMA 20, respectively. ***Please note that non-residents, other than FIIs investing under PIS in accordance with Schedule 2 of the FEMA 20 and Eligible NRIs investing on non-repatriation basis in accordance with Schedule 4 of FEMA 20, are not permitted to participate in the Issue.***

As per the existing regulations, OCBs cannot participate in the Issue. Further, FVCIs, QFIs, multilateral and bilateral financial institutions are not eligible to participate in the Issue.

Retail Discount and Employee Discount

The Retail Discount and Employee Discount, if any, will be offered to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, respectively, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment at the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Payment Amount does not exceed ₹ 200,000. Please refer to the "***Issue Procedure - Grounds for Technical Rejections***" on page 380 below for information on rejection of Bids.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs and the CBRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days of such decision, providing reasons for not proceeding with the Issue. The BRLMs and the CBRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh draft offer document with SEBI and the stock exchanges where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges with respect to the Equity Shares issued through this Red Herring Prospectus, which our Company will ensure will be completed within 12 Working Days from the Bid/Issue Closing Date; and (ii) the final RoC approval of the Prospectus.

Bid/Issue Period

BID/ISSUE OPENS ON *	December 10, 2012
BID/ISSUE CLOSES ON	December 12, 2012
FINALIZATION OF BASIS OF ALLOTMENT**	December 21, 2012
CREDIT OF EQUITY SHARES TO THE INVESTORS' DEMATERIALIZED ACCOUNTS**	December 24, 2012
INITIATION OF REFUNDS**	December 24, 2012

COMMENCEMENT OF TRADING**	December 27, 2012

** Our Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*
***The above mentioned dates are indicative only.*

Except in relation to Anchor Investors, Bids and revision of Bids, shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/Issue Period as mentioned above at the Bidding centers mentioned in the Bid-cum-Application Form, or in the case of Bids submitted through ASBA, the Designated Branches of the SCSBs and the bidding centres of the members of the Syndicate at the Syndicate ASBA Bidding Locations, **except that on the Bid/ Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. (Indian Standard Time), for Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion, which may be extended up to such time as permitted by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs and the CBRLM to the Stock Exchanges within half an hour of such closure.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for Allotment in the Issue. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on Working Days.

Our Company, in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed at least five Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and the CBRLM and at the terminals of the other members of the Syndicate.

TERMS OF THE ISSUE

The Equity Shares issued and allotted in the Issue will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRR, the Memorandum of Association, the Articles of Association, the Equity Listing Agreements, the terms of this Red Herring Prospectus and the Prospectus, the Bid-cum-Application Form, the Revision Form, and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Issue. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue and sale of capital and listing of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued and allotted in the Issue will rank *pari passu* with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. See "***Main Provisions of Articles of Association of our Company***" on page 399.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act, the Equity Listing Agreements, our Memorandum of Association and Articles of Association. See "***Dividend Policy***" on page 162.

Face Value and Price Band

The face value of each Equity Share is ₹ 10. At any given point of time there will be only one denomination for the Equity Shares.

The Price Band, the minimum Bid lot and the rupee amount of the Retail Discount and the Employee Discount will be decided by our Company, in consultation with the BRLMs and the CBRLM, and advertised by our Company, in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), at least five Working Days prior to the Bid/Issue Opening Date and such advertisement shall be available on the websites of the Stock Exchanges.

Rights of the Equity Shareholder

Subject to applicable law, the equity shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of Articles of Association of our Company***" on page 399.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares will be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialized form. Since trading of our Equity Shares is to be in dematerialized form, the tradable lot is one Equity Share. Allotment in the Issue will be in multiples of one subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "***Issue Procedure – Basis of Allotment***" on page 387.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility

In accordance with Section 109A of the Companies Act, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 109A of the Companies Act, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority of the nominee. A nomination will stand rescinded on a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or our Corporate Office or with the Registrar to the Issue.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/Issue Period*

BID/ISSUE OPENS ON	December 10, 2012
BID/ISSUE CLOSES ON	December 12, 2012
FINALIZATION OF BASIS OF ALLOTMENT**	December 21, 2012
CREDIT OF EQUITY SHARES TO THE INVESTORS' DEMATERIALIZED ACCOUNTS**	December 24, 2012
INITIATION OF REFUNDS**	December 24, 2012
COMMENCEMENT OF TRADING**	December 27, 2012

** Our Company may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*
***The above mentioned dates are indicative only.*

Minimum Subscription

If the Issuer does not receive the minimum subscription of 90% of the Issue, subject to the Net Issue being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company, in accordance with Rule 19 (2) (b) (i) of the SCRR, including through devolvement of the Underwriters, as applicable, within 60 days from the Bid/Issue Closing Date, our Company will forthwith refund the entire subscription amount received within 70 days from the Bid/Issue Closing Date. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to pay interest prescribed under section 73 of the Companies Act. Further in terms of Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of Bidders to whom the Equity Shares are Allotted in the Issue will be not less than 1,000.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of pre-Issue equity shareholding and Anchor Investor lock-in in the Issue as detailed in *"**Capital Structure**"* on page 71 and as provided in our Articles as detailed in "***Main Provisions of Articles of Association of our Company***" on page 399, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchanges.

ISSUE PROCEDURE

This section applies to all Bidders. QIBs (except Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion have the option to participate either through the ASBA process or the non-ASBA process. Anchor Investors are not permitted to participate through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. ASBA Bidders should carefully read the provisions applicable to such applications before making their application through the ASBA process. ASBA Bidders should note that they may submit their ASBA Bids to the members of the Syndicate at the Syndicate ASBA Bidding Locations or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the members of the Syndicate. All Bidders are required to pay the full Payment Amount or, in case of ASBA Bids, ensure that the ASBA Account has sufficient credit balance such that the full Payment Amount can be blocked by the SCSB at the time of making the Bid.

*The Retail Discount and Employee Discount, if any, will be offered to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, respectively, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment at the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Payment Amount does not exceed ₹200,000. Where the Payment Amount is in excess of ₹200,000, non-QIB Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion and will not be eligible for the Retail Discount. Please refer to the "**Issue Procedure - Grounds for Technical Rejections**" on page 380 below for information on rejection of Bids.*

Our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

Book Building Procedure

Pursuant to Rule 19 (2) (b) (i) of the SCRR, the Net Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process where 50% of the Net Issue will be available for allocation to QIBs on a proportionate basis, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. 358,500 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees bidding in the Employee Reservation Portion, subject to valid bids being received at or above the Issue Price.

Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

In case of QIBs, the members of the Syndicate or SCSBs can reject Bids at the time of acceptance of the Bid-cum-Application Form, provided that the reasons for such rejection shall be disclosed to such QIB in writing. Further, QIB Bids can also be rejected on technical grounds listed on page 380. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, Bids can be rejected on the technical grounds listed on page 380 or if all required information is not provided or the Bid-cum-Application Form is incomplete in any respect. However, our Company in consultation with the BRLMs and the CBRLM, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons. Consequent refunds will be made through any of the modes described in this Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's sole risk.

The Price Band, the minimum Bid lot and the rupee amount of the Retail Discount and Employee Discount for the Issue will be decided by our Company in consultation with the BRLMs and the CBRLM, and advertised in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), at least five Working Days prior to the Bid/ Issue Opening Date and such advertisement shall be available on the websites of the Stock Exchanges.

Investors should note that Allotment to successful Bidders will be only in the dematerialized form. Bid-cum-Application Forms which do not have the details of the Bidder's depository accounts including DP ID, PAN and Client ID will be treated as incomplete and are liable to be rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion may Bid through the ASBA process at their discretion. However, QIBs (excluding Anchor Investors) and Non Institutional Bidders must compulsorily use the ASBA process to participate in the Issue. Anchor Investors are not permitted to participate in the Issue through the ASBA Process.

Retail Individual Bidders and Eligible Employees bidding through the non-ASBA process

In the event of Bidding through the non-ASBA process, the Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion shall only use a Bid-cum-Application Form bearing the stamp of a member of the Syndicate. Copies of the Bid-cum-Application Form will be available with the members of the Syndicate, at our Registered Office and our Corporate Office. The Bid-cum-Application Forms will also be available for download on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. The Bid-cum-Application-Forms for Eligible Employees will be available only at our Registered Office and our Corporate Office. The members of the Syndicate or the sub-syndicate members, as the case may be, will be required to affix their stamp and code on the Bid-cum-Application Forms for Eligible Employees bidding in the Employee Reservation Portion.

The Bid-cum-Application Form shall be serially numbered, the date and time shall be stamped at the bidding centres, and such form shall be issued in duplicate signed by the Retail Individual Bidder or the Eligible Employee bidding in the Employee Reservation Portion and stamped by the relevant member of the Syndicate.

Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, Retail Individual Bidders or the Eligible Employees bidding in the Employee Reservation Portion are deemed to have authorized our Company to make the necessary changes in this Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Retail Individual Bidder or Eligible Employee. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the application form.

Retail Individual Bidders, Eligible Employees, QIBs (other than Anchor Investors) and Non Institutional Bidders bidding through the ASBA process

ASBA Bidders can submit their Bids by submitting Bid-cum-Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the members of Syndicate at the Syndicate ASBA Bidding Locations. The physical Bid-cum-Application Forms, except for Eligible Employees bidding in the Employee Reservation Portion, will be available with the Designated

Branches, members of the Syndicate at the Syndicate ASBA Bidding Locations and at our Registered Office and Corporate Office. The Bid-cum-Application Forms will also be available for download on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. Bid-cum-Application-Forms for Eligible Employees will only be available at our Registered Office and our Corporate Office. The members of the Syndicate or the sub-syndicate members or the SCSBs, as the case may be, will be required to affix their stamp and code on the Bid-cum-Application Forms for Eligible Employees bidding in the Employee Reservation Portion.

In case of application in physical mode, the ASBA Bidder shall submit the Bid-cum-Application Form bearing the stamp of the SCSB and/or Designated Branch and/or the member of the Syndicate, as the case may be, at the relevant Designated Branch or the members of the Syndicate at the Syndicate ASBA Bidding Locations, respectively. The Bid-cum-Application Form shall be serially numbered, and the date and time shall be stamped at the bidding centres.

ASBA Bidders bidding directly through the SCSBs should ensure that the Bid-cum-Application Form is submitted to a Designated Branch where the ASBA Account is maintained. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid-cum-Application Form is submitted to a member of the Syndicate only at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that Bid-cum-Application Forms submitted by ASBA Bidders to the members of the Syndicate at the Syndicate ASBA Bidding Locations will not be accepted if the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid-cum-Application Forms submitted by ASBA Bidders (A list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063270138.html).

In case of application in electronic form, the ASBA Bidder shall submit the Bid-cum-Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids.

Upon completing and submitting the Bid-cum-Application Form to the SCSB or the member of the Syndicate at the Syndicate ASBA Bidding Locations, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in this Red Herring Prospectus and the Bid-cum-Application Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the application form.

To supplement the foregoing, the mode and manner of bidding is illustrated in the following chart.

Category of bidder	**Permitted modes of bidding**	**To whom the Bid-cum-Application Form has to be submitted**
Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion	Either (i) ASBA or (ii) non-ASBA	In case of ASBA Bidders: (i) If physical Bid-cum-Application Form is being used, either to the members of the Syndicate only at Syndicate ASBA Bidding Locations* or to the Designated Branch of the SCSB where the ASBA Account is maintained; or (ii) if electronic Bid-cum-Application Form is being used, to the SCSBs, electronically through the internet banking facility.
		(i) In case of non-ASBA Bidders, to the members of the Syndicate at the bidding centres as stated in the Bid-cum-Application Form.
Non-Institutional Bidders and QIBs (other than Anchor Investors)	ASBA	(i) If physical Bid-cum-Application Form is being used, either to the members of the Syndicate only at Syndicate ASBA Bidding Locations* or to the Designated Branch of the SCSB where the ASBA Account is maintained; or

Category of bidder	Permitted modes of bidding	To whom the Bid-cum-Application Form has to be submitted
		(ii) if electronic Bid-cum-Application Form is being used, to the SCSBs, electronically through the internet banking facility
Anchor Investors	Non-ASBA	To the BRLMs and the CBRLM

* *ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid-cum-Application Form is submitted to a member of the Syndicate only at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat).*

The prescribed colour of the Bid-cum-Application Forms for various categories is as follows:

Category	Colour of Bid-cum-Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis (ASBA and non-ASBA)	White
FIIs, applying on a repatriation basis, excluding Anchor Investors (ASBA and non-ASBA)	Blue
Eligible Employee bidding in the Employee Reservation Portion (ASBA and non-ASBA)	Pink
Anchor Investors** (Non-ASBA)	White

** Excluding electronic Bid-cum-Application Forms*

***Bid-cum-Application Forms for Anchor Investors will be made available at the office of the BRLMs and the CBRLM.*

Who can Bid?

Persons eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

(i) Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872 as amended ("**Contract Act**"), including minors having valid depository accounts as per Demographic Details provided by Depositories;

(ii) Hindu Undivided Families ("**HUFs**"), in the individual name of the *Karta*. Such Bidders should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs will be considered at par with those from individuals;

(iii) Companies, corporate bodies, limited liability partnerships and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional or charter documents;

(iv) Mutual Funds registered with SEBI;

(v) Eligible NRIs (applying on a non repatriation basis), subject to applicable law;

(vi) Eligible Employees bidding in the Employee Reservation Portion;

(vii) Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI ICDR Regulations and other applicable law);

(viii) FIIs and sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), Bidding in the QIB Portion;

(ix) Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only in the Non-Institutional Portion;

(x) Venture capital funds and Alternative Investment Funds registered with SEBI;

(xi) State Industrial Development Corporations;

(xii) Trusts/societies registered under the Societies Registration Act, 1860 or under any other law relating to trusts/societies and who are authorized under their respective constitutional or charter documents to hold and invest in equity shares;

(xiii) Scientific and/or industrial research organizations in India, authorized to invest in equity shares;

(xiv) Insurance companies registered with Insurance Regulatory and Development Authority of India;

(xv) Provident funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;

(xvi) Pension Funds with a minimum corpus of ₹ 250 million and who are authorized under their constitutional documents to hold and invest in equity shares;

(xvii) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;

(xviii) Insurance funds set up and managed by the army, navy or air force of the Union of India; and

(xix) Insurance funds set up and managed by the Department of Posts, India.

In accordance with RBI regulations, OCBs cannot participate in the Issue. QFIs, FVCIs and multilateral and bilateral development financial institutions are not eligible to participate in the Issue

Please note that non-residents, other than FIIs investing under PIS in accordance with Schedule 2 of the FEMA 20 and Eligible NRIs investing on non-repatriation basis in accordance with Schedule 4 of FEMA 20, are not permitted to participate in the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.

Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs"), in reliance on Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Participation by associates and affiliates of the BRLMs, the CBRLM and the Syndicate Members

The BRLMs, the CBRLM and the Syndicate Members shall not be allowed to subscribe to the Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs, the CBRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis. The BRLMs, the CBRLM and any persons related to the BRLMs or the CBRLM or the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, 5% of the QIB Portion (excluding the Anchor Investor Portion), is reserved for Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund will first be considered for allocation proportionately in the Mutual Fund Portion. If demand in the Mutual Fund Portion is greater than [●] Equity Shares, allocation will be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds will be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds subject to valid Bids being received at or above the Anchor Investor Issue Price. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by asset management companies or custodians of Mutual Funds should clearly indicate the name of the concerned scheme for which the Bid is submitted.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme may invest more than 10% of its net asset value in equity shares or equity related instruments of any company, provided that the limit of 10% will not apply to investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes may own over 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs and FIIs registered with SEBI

There is no reservation for Eligible NRIs or FIIs registered with SEBI. Such Eligible NRIs, and FIIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

RBI has by a letter (FE.CO.FID/23413/10.78.000(38)/2011-12) dated April 4, 2012 clarified that FIIs participating in the Issue may be guided by Schedule 2 of the FEMA 20 and NRIs participating on repatriation or non-repatriation basis in the Issue may be guided by Schedules 3 and 4 of the FEMA 20, respectively.

Please note that non-residents, other than FIIs investing under PIS in accordance with Schedule 2 of the FEMA 20 and Eligible NRIs investing on non-repatriation basis in accordance with Schedule 4 of FEMA 20, are not permitted to participate in the Issue.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs bidding on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts or Non-Resident Ordinary ("**NRO**") accounts maintained with authorized dealers registered with the RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000. Eligible NRIs bidding on a non-repatriation basis are advised to use the Bid-cum-Application Form meant for Resident (white in colour).

Bids by FIIs

The total holding of Equity Shares by a single FII or a SEBI approved sub-account cannot exceed 10% of the post-Issue paid-up Equity Share capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account will not exceed 10% of our total paid-up equity share capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the portfolio investment scheme, the total holdings of all FIIs/sub-accounts cannot exceed 24% of the paid-up equity capital of a company, provided that the limit of 24% can be raised up to the sectoral cap or statutory limit for that company after approval of the board of directors and the shareholders of the company by way of a special resolution. Further a prior intimation of such increase in limit, along with a certificate from the company secretary, stating that all relevant provisions of the FEMA and the FDI Policy have been complied with, has to be submitted to the RBI. Currently, the limit of FII holding in our Company is 24% of our total issued and paid-up equity share capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995 ("**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority. Associates and affiliates of the Underwriters, including the BRLMs, the CBRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on, or interest in, our Company.

With respect to Bids by FIIs, a certified copy of their SEBI registration certificate must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid by such FIIs, in whole or in part, in either case, without assigning any reason thereof.

Bids by FIIs on a repatriation basis will be in the names of such FIIs only.

Bids by SEBI-registered Venture Capital Funds or Alternative Investment Funds

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 prescribe investment restrictions on Venture Capital Funds registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund registered with the SEBI should not exceed 25% of the corpus of the venture capital fund. However, venture capital funds may invest not over 33.33% of their investible funds in various prescribed instruments, including in initial public offers.

The Securities and Exchange Board of India (Alternative Investment Funds) Regulation, 2012, as amended ("**SEBI AIF Regulations**"), regulate investment by Alternative Investment Funds ("**AIFs**") registered with SEBI. AIFs can invest in accordance with limits and procedure provided under the SEBI AIF Regulations.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by banking companies

The investment limit for banking companies as per the Banking Regulation Act, 1949, is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in equity shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 2, 2012).

Bids by insurance companies

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the "**IRDA Investment Regulations**"), are broadly set forth below:

(i) equity shares of a company: the lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
(ii) the entire group of the investee company: the lesser of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of Unit Linked Insurance Plans ("**ULIPs**"); and
(iii) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case, without assigning any reason.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case, without assigning any reason thereof.

Bids by Eligible Employees

Bids under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees (as defined in this Red Herring Prospectus) would be eligible to apply in the Issue under the Employee Reservation Portion.
- In case of joint Bids, the first Bidder shall be an Eligible Employee.
- Bid shall be made only in the prescribed Bid-cum-Application Form (i.e. Pink in colour).
- Eligible Employees should provide the details of the depository accounts including DP ID, Client ID and PAN as well as employee number in the relevant space in the Bid-cum-Application Form.
- The Employee Discount, if any, will be offered to Eligible Employees at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment at the Payment Amount, i.e., the Bid Amount less Employee Discount, at the time of making a Bid.
- Eligible Employees who bid for Equity Shares in the Employee Reservation Portion may Bid at Cut-Off Price. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price less Employee Discount at the time of making a Bid.
- Eligible Employees should note that while filling the "Payment Details" block in the Bid-cum-Application Form, they must mention the Payment Amount, i.e., the Bid Amount less Employee Discount. In order to be eligible to get allotment under the Employee Reservation Portion, the Bidders should ensure that the Payment Amount does not exceed ₹ 2,00,000. Please refer to "***Issue Procedure - Grounds for Technical Rejections***" on page 380 below for information on rejection of Bids.
- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter such that the maximum Payment Amount does not exceed ₹ 200,000.
- Only those Bids, which are received at or above the Issue Price, would be considered for allocation under the Employee Reservation Portion.
- Bid by an Eligible Employee can also be made in the "Net Issue" portion in the Retail Portion and the Non-Institutional Portion and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to 358,500 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees bidding in the Employee Reservation Portion to the extent of their demand.
- If the aggregate demand in this category is greater than 358,500 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see the section "***Basis of Allotment***" on page 387.
- Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

Bids by Anchor Investors

Our Company may consider participation by Anchor Investors in the QIB Portion for up to 30% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1) (zd) of the SEBI ICDR Regulations (other than FVCIs and multilateral and bilateral development financial institutions) and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to participate in the Anchor Investor Portion. The QIB Portion will be reduced to the extent of allocation, if any, under the Anchor Investor Portion. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

(i) Anchor Investors' Bid-cum-Application Forms will be available at the office of the BRLMs and the CBRLM.

(ii) The Bid must be for a minimum of such number of Equity Shares such that the Payment Amount is at least ₹ 100 million. A Bid cannot be submitted for more than 30% of the QIB Portion. In case of a Mutual Fund registered with SEBI, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

(iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(iv) The Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date and will be completed on the same day.

(v) Our Company in consultation with the BRLMs and the CBRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the number of Allottees in the Anchor Investor Portion will be:

- a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100.00 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor, and
- minimum of five and maximum of 25 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor.

(vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in public domain by the BRLMs and the CBRLM before the Bid/Issue Opening Date.

(vii) Anchor Investors cannot withdraw or lower the size of their Bids (in terms of quantity of Equity Shares or Bid Amount) at any stage.

(viii) If the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors by the pay-in-date. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

(ix) The Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(x) The BRLMs, the CBRLM or our Promoters or Promoter Group or any person related to them will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and the CBRLM and shall be available as part of the records of the BRLMs and the CBRLM for inspection by SEBI.

(xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

(xii) For details of payment instructions, see "***Payment into Escrow Accounts for Bidders other than ASBA Bidders***" on page 377.

Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application form, subject to such terms and conditions that our Company, the BRLMs and the CBRLM deem fit.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(i) With respect to Bids by FIIs, VCFs, AIFs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form.

(ii) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid-cum-Application Form.

(iii) With respect to Bids made by provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form.

Our Company, its Directors and officers and the Syndicate are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus. Our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

(i) ***For Retail Individual Bidders***: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Payment Amount, i.e., Bid Amount less Retail Discount does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Payment Amount does not exceed ₹ 200,000. Where the Payment Amount is in excess of ₹ 200,000, non-QIB Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion and will not be eligible for the Retail Discount. Furthermore, Bids by Eligible Employees bidding in the Employee Reservation Portion where the Payment Amount is in excess of ₹ 200,000 are liable to be rejected. In case of non-ASBA Bids, if the Payment Amount is in excess of ₹ 200,000, the Bid is liable to be rejected. Please refer to the "***Issue Procedure - Grounds for Technical Rejections***" on page 380 below for information on rejection of Bids.

Retail Individual Bidders have the option to Bid at Cut-off Price indicating their agreement to Bid and subscribe to the Equity Shares at the Issue Price. Retail Individual Bidders bidding at the Cut-Off Price have to ensure payment at the Cap Price less Retail Discount at the time of making a Bid. For details on completing the Bid-cum-Application Form, please refer to "***Issue Procedure – Instructions for completing the Bid-cum-Application Form***" on page 367. The Issue Price will be determined at the end of the Book Building Process. Retail Individual Bidders have an option to participate in the Issue through the ASBA process. **Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/Issue Period and withdraw their Bid(s) until finalization of Basis of Allotment.**

(ii) ***For Other Bidders (Non-Institutional Bidders and QIBs excluding Anchor Investors)***: The Bid must be for a minimum of such number of Equity Shares in multiples of [●] such that the Payment Amount exceeds ₹ 200,000. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them under applicable law. **QIB Bidders and Non-Institutional Bidders cannot withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids through the ASBA process.**

In case of revision in Bids, Non-Institutional Bidders, who are individuals have to ensure that the Payment Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. **Non-Institutional Bidders and QIBs are not allowed to Bid at the Cut-Off Price. Please note that QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process.**

(iii) ***For Eligible Employees***: The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Payment Amount, i.e., Bid Amount less Employee Discount, does not exceed ₹ 200,000. In case of revision of Bids, Eligible Employees bidding in the Employee Reservation Portion have to ensure that the Payment Amount does not exceed ₹ 200,000. In case the Payment Amount is in excess of ₹ 200,000, due to, among other things, revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price~~,~~ the Bid is liable to be rejected. Eligible Employees bidding in the Employee Reservation Portion have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Issue Price. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount at the time of making a Bid. For details on completing the Bid-cum-Application Form, please refer to "***Issue Procedure – Instructions for completing the Bid-cum-Application Form***" on page 367. Further, the value of Allotment to any Eligible Employee shall not exceed ₹ 200,000. The Issue Price will be determined at the end of the Book Building Process. Eligible Employees bidding in the Employee Reservation Portion have an option to participate in the Issue through the ASBA process. **Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/Issue Period and withdraw their Bid(s) until finalization of Basis of Allotment.**

(iv) ***For Bidders in the Anchor Investor Portion***: The Bid must be for a minimum of such number of Equity Shares in multiples of [•] such that the Payment Amount is at least ₹ 100 million. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.**

Information for the Bidders:

(i) Our Company published an advertisement regarding the filing of the Draft Red Herring Prospectus with SEBI in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), within one Working Day from the filing of the Draft Red Herring Prospectus.

(ii) This Red Herring Prospectus has been filed by our Company with the RoC at least three days before the Bid/Issue Opening Date.

(iii) Subject to the provisions of section 66 of the Companies Act, our Company shall, after registering this Red Herring Prospectus with the Registrar of Companies, make a pre-issue advertisement in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), declaring the Bid/Issue Opening Date and the Bid/Issue Closing Date. The Price Band, minimum Bid lot size and the rupee amount of the Retail Discount and Employee Discount shall be decided by our Company in consultation with the BRLMs and the CBRLM and advertised in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), at least five

Working Days prior to the Bid/Issue Opening Date and such advertisement shall be available on the websites of the Stock Exchanges.

(iv) Copies of the Bid-cum-Application Form and this Red Herring Prospectus will be available with the members of the Syndicate, the SCSBs, at our Registered Office and our Corporate Office. Copies of Bid-cum-Application Forms will be available for downloading and printing, from the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. A unique application number will be generated for every Bid-cum-Application Form downloaded and printed from the websites of the Stock Exchanges. Bid-cum-Application Forms for Eligible Employees will only be available at our Registered Office and our Corporate Office. The BRLMs and the CBRLM shall ensure that adequate arrangements are made to circulate copies of the abridged Prospectus and the Bid-cum-Application Form to the SCSBs and the Syndicate. Bid-cum-Application Forms for Anchor Investors shall be made available at the offices of the BRLMs and CBRLM.

(v) Bid-cum-Application Forms must be submitted only to the members of the Syndicate and should bear the stamp of the members of the Syndicate, otherwise they are liable to be rejected.

(vi) The Bid/Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bid/Issue Period shall be extended, for at least three additional Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. The revised Price Band and Bid/Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by advertising in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), and also by indicating the change on the websites of the BRLMs and the CBRLM and at the terminals of the other members of the Syndicate.

(vii) The Syndicate and the Designated Branches will accept Bids during the Bid/Issue Period in accordance with the terms of this Red Herring Prospectus, provided that the BRLMs and the CBRLM will accept the Bids from Anchor Investors only on the Anchor Investor Bidding Date.

(viii) With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified shall be suspended for credit and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

(ix) No separate receipts will be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

(x) The BRLMs and the CBRLM shall dispatch this Red Herring Prospectus and other Issue related materials including the Bid-cum-Application Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

(xi) **QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion have the option to bid through the ASBA process or the non-ASBA process. ASBA Bidders are required to submit their Bids to the members of the Syndicate at the Syndicate ASBA Bidding Locations or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the members of the Syndicate.**

Additional information for ASBA Bidders

(i) Physical Bid-cum-Application Forms will be available with the Designated Branches, members of the Syndicate at the Syndicate ASBA Bidding Locations, at our Registered Office and our Corporate Office. The Bid-cum-Application Forms will also be available for download on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. Further, the SCSBs will ensure that a soft copy of the abridged Prospectus is made available on their websites.

(ii) The physical Bid-cum-Application Forms can be submitted to either (i) the members of the Syndicate at the Syndicate ASBA Bidding Locations; or (ii) the Designated Brach of the SCSB with whom the

ASBA Account is maintained. Bid-cum-Application Forms in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the members of the Syndicate. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

(iii) ASBA Bidders should ensure that sufficient funds are available in the ASBA Account before submitting the Bid-cum-Application Form to the members of the Syndicate at the Syndicate ASBA Bidding Locations or the respective Designated Branch. In the event the corresponding ASBA Account does not have sufficient funds equal to the Payment Amount at the time of blocking the ASBA Account, the Bid will be rejected.

(iv) The members of the Syndicate at the Syndicate ASBA Bidding Locations and the SCSBs shall accept Bids only during the Bid/Issue Period.

(v) Bid-cum-Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch or the member of the Syndicate at the Syndicate ASBA Bidding Locations, if not, the same are liable to be rejected.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN, DP ID and Client ID. In cases where the PAN, DP ID and Client ID is same, such Bids will be treated as multiple applications.

The members of the Syndicate, SCSBs and Bidders should note that an additional provision for stamping has been made in the main body of the Bid-cum-Application Form or Revision Form under "Broker's/ SCSB Branch's Stamp" where the relevant member of the Syndicate or the SCSB (as the case may be), which is responsible for uploading the Bid, shall affix its stamp only after the Bid has been uploaded as an acknowledgement of having uploaded the Bid in the Stock Exchange system. Escrow Collection Banks/ SCSBs must ensure that Bid-cum-Application Forms submitted to them bear such a stamp prior to banking of payment instrument/ blocking of funds as applicable.

Instructions for completing the Bid-cum-Application Form

Bids and revisions of Bids must be:

(i) Made by QIBs (excluding Anchor Investors) and Non-Institutional Bidders only through the ASBA process in the Issue. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion have an option to Bid either through the ASBA process or the non-ASBA process. ASBA Bidders are required to submit their Bids to the members of the Syndicate at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the members of the Syndicate.

(ii) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable.

(iii) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders must provide details of valid and active DP ID, Client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid-cum-Application Forms or Revision Forms. Bidders should ensure that all applicable documents in support of the Bid are attached to the Bid-cum-Application Form or Revision Form.

(iv) Information provided by the Bidders will be uploaded in the electronic bidding system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible.

(v) Bidders can Bid at any price within the Price Band. The Retail Discount and Employee Discount, if any, will be offered to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, respectively at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment at the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Payment Amount does not exceed ₹ 200,000. Where the Payment Amount is in excess of ₹ 200,000, non-QIB Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion and will not be eligible for the Retail Discount. Furthermore, Bids by Eligible Employees bidding in the Employee Reservation Portion where the Payment Amount is in excess of ₹ 200,000 are liable to be rejected. In case of non-ASBA Bids, if the Payment Amount is in excess of ₹ 200,000, the Bid is liable to be rejected. Please refer to the "***Issue Procedure - Grounds for Technical Rejections***" on page 380 below for information on rejection of Bids.

(vi) Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion should note that while filling the "Payment Details" block in the Bid-cum-Application Form, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must mention the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable. In order to be eligible to get allotment under Retail Portion or Employee Reservation Portion, the Bidders should ensure that the Payment Amount does not exceed ₹ 200,000. Please refer to "***Issue Procedure - Grounds for Technical Rejections***" on page 380 below for information on rejection of Bids.

(vii) In case of Retail Individual Bidders (including Eligible NRIs) and Eligible Employees bidding in the Employee Reservation Portion, Bids and revisions of Bids must be made for a minimum of [●] Equity Shares and in multiples of [●] thereafter so as to ensure that the Payment Amount does not exceed ₹ 200,000. The option to Bid at the Cut-Off Price is available only to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(viii) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] such that the Payment Amount exceeds ₹ 200,000. Anchor Investors must ensure that their Bids must make a minimum Bid of such number of Equity Shares that the Payment Amount is at least ₹ 100 million. Bids cannot be made exceeding the Issue size.

(ix) Bids by FIIs on a repatriation basis will be in the names of such FIIs only.

(x) In the name of the sole/First Bidder and must be signed by the sole/First Bidder. In case of joint Bids, the First Bidder would be deemed to have signed on behalf of the other Bidders and should give requisite confirmations to that effect.

(xi) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(xii) ASBA Bidders should correctly mention the ASBA Account number in the Bid-cum-Application Form and ensure that sufficient funds are available in the ASBA Account before submitting the Bid-cum-Application Form to the respective Designated Branch or to a member of the Syndicate at a Syndicate ASBA Bidding Location.

(xiii) ASBA Bidders submitting the Bid-cum-Application Form to the Syndicate at a Syndicate ASBA Bidding Location should ensure that the SCSB in which the ASBA Account is maintained has named at least one branch in the Syndicate ASBA Bidding Location.

(xiv) The Bid-cum-Application Form should be signed by the ASBA Account holder(s) in case the ASBA Account holder is different from the ASBA Bidder, in accordance with the instructions provided in the

Bid-cum-Application Form.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or bank drafts will be submitted to the members of the Syndicate at the time of submission of the Bid.

In case of application in physical mode, the ASBA Bidder shall submit the Bid-cum-Application Form bearing the stamp of the Designated Branch or the member of the Syndicate at the relevant Designated Branch or the relevant member of the Syndicate at Syndicate ASBA Bidding Locations, respectively. In case the ASBA Bidder submits its Bid through a member of the Syndicate at a Syndicate ASBA Bidding Location, the Bid will be uploaded by that member of the Syndicate in the electronic Bidding system of the Stock Exchanges and the Bid-cum-Application Form will then be forwarded to the concerned SCSB for further action including signature verification and blocking of funds. In case of application in electronic form, the ASBA Bidder shall submit the Bid-cum-Application Form either through the internet banking facility available with the SCSBs, or such other electronically enabled mechanism for Bidding and blocking funds in the ASBA Account held with the SCSB, and accordingly register such Bids. The SCSB shall affix its stamp on the Bid-cum-Application Form acknowledging the upload of the Bid in the electronic Bidding system of the Stock Exchanges and shall block an amount in the ASBA Account equal to, or more than the Bid Amount specified in the Bid-cum-Application Form.

General Instructions

Dos:

(i) Check if you are eligible to apply as per the terms of this Red Herring Prospectus and applicable law and approvals;

(ii) Ensure that you have Bid within the Price Band;

(iii) Read all the instructions carefully and complete the Bid-cum-Application Form in the prescribed form;

(iv) Ensure that the details about the PAN, DP ID and Client ID are correct, and the Beneficiary Account is activated, as Allotment of Equity Shares will be in dematerialized form only;

(v) Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic Bid-cum-Application Forms);

(vi) In case of ASBA Bidders, ensure that you have mentioned the correct ASBA Account number in the Bid-cum-Application Form;

(vii) With respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained or to a member of the Syndicate only at the Syndicate ASBA Bidding Locations and that the SCSB where the ASBA Account, as specified in the Bid-cum-Application Form, is maintained has named at least one branch at that location for the members of the Syndicate to deposit Bid-cum-Application Forms (a list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063270138.html);

(viii) In case of ASBA Bids, ensure that the Bid-cum-Application Form is also signed by the ASBA Account holder if the Bidder is not the ASBA Account holder;

(ix) In case of ASBA Bids, ensure that there are sufficient funds available in the ASBA Account;

(x) In case of ASBA Bids, ensure that the full Payment Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Payment Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;

(xi) Ensure that you have authorised the SCSB to do all acts as are necessary to make an application in the Issue as provided in the Bid-cum-Application Form;

(xii) In case of ASBA Bids, instruct your respective banks to not release the funds blocked in the ASBA Accounts;

(xiii) Ensure that you request for and have received a stamped acknowledgement of the Bid-cum-Application Form and a TRS, for all your Bid options;

(xiv) Ensure that the revision of your Bid is in accordance with the SEBI ICDR Regulations and this Red Herring Prospectus;

(xv) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB or the member of the Syndicate at the Syndicate ASBA Bidding Locations, as the case may be, through whom the original Bid was placed and obtain a revised acknowledgment, as the case may be;

(xvi) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts (subject to SEBI circular dated June 30, 2008), and (ii) from the residents of the state of Sikkim (subject to SEBI circular dated July 20, 2006), each of the Bidders should mention their PAN allotted under the I.T. Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in active status; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which the PAN is not mentioned will be rejected;

(xvii) Ensure that the Bid-cum-Application Form is duly completed and signed by the First/ Sole Bidder. In case of ASBA Bids, ensure that the Bid-cum-Application Form is also signed by the ASBA Account holder if the Bidder is not the ASBA Account holder. Incomplete Bid-cum-Application Forms, or Bid-cum-Application Forms without signatures are liable to be rejected

(xviii) Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

(xix) Ensure that you Bid only through the ASBA process if you are a QIB (other than Anchor Investors) or a Non Institutional Bidder;

(xx) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;

(xxi) Ensure that the DP ID, Client ID and PAN mentioned in the Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the member of the Syndicate and the SCSBs, as the case may be, match with the DP ID, Client ID and PAN available in the depository database;

(xxii) Ensure that the name of the sole/ First Bidder given in the Bid-cum-Application Form is exactly the same as it appears in the depository database. In case a Bid-cum-Application Form is submitted on behalf of joint Bidders, the signature of only the First Bidder would be required and the First Bidder should mention his/her PAN. All payments will be made out in favor of the First Bidder and all communications will be addressed to the First Bidder and dispatched to his or her address as per the Demographic Details received from the Depository. The First Bidder would have deemed to have signed on behalf of joint holders and would give requisite confirmation(s) on behalf of joint Bidders as provided in the Bid-cum-Application Form. The First Bidder shall be liable for all the obligations arising in relation to the Issue.

(xxiii) Ensure that you tick the correct investor category, as applicable, in the Bid-cum-Application Form to ensure proper upload of your Bid in Stock Exchange system.

(xxiv) Ensure that you tick the correct investor status, as applicable, in the Bid-cum-Application Form. Please ensure investor status is updated in your depository records.

(xxv) If you are a Retail Individual Bidder or an Eligible Employee bidding in the Employee Reservation

Portion, ensure that you have made payment at the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable, at the time of making a Bid. If you are a Retail Individual Bidder or Eligible Employee bidding in the Employee Reservation Portion and bidding at the Cut-Off Price please ensure payment at the Cap Price, less Retail Discount and Employee Discount, as applicable, at the time of making a Bid;

(xxvi) If you are a Retail Individual Bidder or an Eligible Employee bidding in the Employee Reservation Portion, ensure that the Payment Amount does not exceed ₹ 200,000. Where the Payment Amount is in excess of ₹ 200,000, non-QIB Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion and will not be eligible for the Retail Discount; and

(xxvii) If you are a Retail Individual Bidder or Eligible Employee bidding in the Employee Reservation Portion, ensure that while filling the "Payment Details" block in the Bid-cum-Application Form you mention the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable; and

(xxviii) If you are an Eligible Employee bidding in the Employee Reservation Portion, ensure that you enter your employee number with your name in the Bid-cum-Application Form.

Don'ts:

(i) Do not Bid for lower than the minimum Bid size;

(ii) Do not submit a Bid without payment of the entire Payment Amount;

(iii) Do not Bid or revise the Bid to less than the Floor Price or higher than the Cap Price;

(iv) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate or the Designated Branch;

(v) Do not pay the Payment Amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the ASBA Accounts;

(vi) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch or a member of the Syndicate at the Syndicate ASBA Bidding Locations, as applicable;

(vii) In case of ASBA Bidders, do not submit the Bid-cum-Application Forms to a member of the Syndicate at a location other than the Syndicate ASBA Bidding Locations and unless the SCSB where the ASBA Account is maintained as specified in the Bid-cum-Application Form has named at least one branch in the relevant Syndicate ASBA Bidding Location for the members of the Syndicate to deposit the Bid-cum-Application Forms;

(viii) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

(ix) Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceed the Issue size and/or investment limit or maximum number of Equity Shares that can be held under applicable law or the maximum amount permissible under applicable regulations or as per the terms of this Red Herring Prospectus;

(x) Do not submit more than five Bid-cum-Application Forms per ASBA Account;

(xi) Do not submit the GIR number instead of the PAN as the Bid shall be rejected on this ground;

(xii) Do not submit a Bid in case not competent to contract under the Contract Act (other than minors having valid depository accounts as per Demographic Details provided by Depositories);

(xiii) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which beneficiary account is suspended or for which such details cannot be verified by the Registrar to the Issue;

(xiv) Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

(xv) Do not submit a Bid that does not comply with the securities laws of your respective jurisdictions;

(xvi) If you are a Retail Individual Bidder or an Eligible Employee bidding in the Employee Reservation Portion, do not make the payment for an amount exceeding ₹ 200,000. Where the Payment Amount is in excess of ₹ 200,000, non-QIB Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion and will not be eligible for the Retail Discount. Furthermore, Bids by Eligible Employees bidding in the Employee Reservation Portion where the Payment Amount is in excess of ₹ 200,000 are liable to be rejected. In case of non-ASBA Bids, if the Payment Amount is in excess of ₹ 200,000, the Bid is liable to be rejected. Please refer to the "***Issue Procedure - Grounds for Technical Rejections***" on page 380 below for information on rejection of Bids; and

(xvii) If you are a Retail Individual Bidder or an Eligible Employee bidding in the Employee Reservation Portion, while filling the "Payment Details" block in the Bid-cum-Application Form do not mention an amount other than the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable.

(xviii) For Bids by QIB Bidders and Non-Institutional Bidders do not withdraw your Bid(s) or lower the size of your Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage;

Method and Process of Bidding

(i) This Red Herring Prospectus filed with the RoC contains the Bid/Issue Opening Date and the Bid/Issue Closing Date. Our Company, the BRLMs and the CBRLM will publish these dates through an advertisement published in terms of Section 66 of the Companies Act which shall contain the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper).

(ii) The Price Band, the minimum Bid lot size and the rupee amount of the Retail Discount and Employee Discount for the Issue will be decided by our Company in consultation with the BRLMs and the CBRLM, and advertised at least five Working Days prior to the Bid/Issue Opening Date in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper) and such advertisement shall be available on the websites of the Stock Exchanges.

(iii) The BRLMs and the CBRLM will accept Bids from the Anchor Investors on the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Issue Opening Date. Bidders, except Anchor Investors, who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate, their authorized agents or SCSBs to register their Bids, during the Bid/Issue Period. The members of the Syndicate will accept Bids from all the Bidders and will have the right to vet the Bids, during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement and this Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the members of the Syndicate, as applicable, to register their Bids.

(iv) The Bid/Issue Period will be for at least three Working Days and not exceeding 10 Working Days (including the days for which the Issue is open in case of revision in Price Band). If the Price Band is revised, the revised Price Band and the Bid/Issue Period will be advertised in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), together with an indication of such change on the websites of the BRLMs and the CBRLM and at the terminals of the members of the Syndicate and intimated to the SCSBs.

(v) Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three price levels (for details see "***Bids at Different Price Levels and revision of Bids***" below, within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(vi) The Bidder cannot Bid through more than one Bid-cum-Application Form. Submission of an additional Bid-cum-Application Form to either the same or to another member of the Syndicate or an SCSB, as the case may be, will be treated as multiple Bids and is liable to be rejected at any point in time before the Allotment provided that Bids submitted by a QIB in the Anchor Investor Portion and in the QIB Portion (excluding Anchor Investor Portion) and Bids submitted by Eligible Employees in the Employee Reservation Portion and the Net Issue, will not be considered as Multiple Bids. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under "***Build up of the book and revision of Bids***" on page 384. Further, in case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid is made.

(vii) Except in relation to the Bids received from the Anchor Investors, the members of the Syndicate or the SCSBs will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement for each price and demand option and will, on demand, give the same to the Bidder.

(viii) For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, each Bid option will be entered into the electronic bidding system as a separate Bid and a acknowledgement shall be generated for each price and demand option. The Bid-cum-Application Form shall be deposited with the relevant branch of the SCSB at the relevant Syndicate ASBA Bidding Location authorized to accept such Bid-cum-Application Forms relating to ASBA Bidders from the members of the Syndicate (a list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063270138.html). Upon receipt of the Bid-cum-Application Forms deposited by the members of Syndicate, the relevant branch of the SCSB shall verify if sufficient funds equal to the Payment Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Bids will be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Payment Amount mentioned in the Bid-cum-Application Form.

(ix) For ASBA Bids submitted directly to the SCSBs, whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Payment Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Payment Amount mentioned in the Bid-cum-Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate an acknowledgement for each price and demand option. The acknowledgement shall be furnished to the ASBA Bidder on request.

(x) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph titled "-***Payment Instructions***" on page 376.

(xi) The members of the Syndicate, SCSBs and Bidders should note that an additional provision for stamping has been made in the main body of the Bid-cum-Application Form or Revision Form under "Broker's/ SCSB Branch's Stamp" where the relevant member of the Syndicate or SCSB (as the case may be), which is responsible for uploading the Bid, shall affix its stamp only after the Bid has been uploaded as an acknowledgement of having uploaded the Bid in the Stock Exchange system.

(xii) The Payment Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the Payment Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid-cum-Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate instruction to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(i) The Price Band, the minimum Bid lot size and the rupee amount of the Retail Discount and Employee Discount will be decided by our Company in consultation with the BRLMs and the CBRLM and advertised at least five Working Days prior to the Bid/Issue Opening Date, in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper) and such advertisement shall be available on the websites of the Stock Exchanges.

(ii) Our Company in consultation with the BRLMs and the CBRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations. The Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. The revision in Price Band will not exceed 20% on either side, i.e., the floor price can move upward or downward to the extent of 20% of the floor price disclosed at least five Working Days prior to the Bid/Issue Opening Date and the Cap Price will be revised accordingly.

(iii) In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper), and by indicating the change on the websites of the BRLMs, the CBRLM, the SCSBs and at the terminals of the members of the Syndicate.

(iv) Our Company in consultation with the BRLMs and the CBRLM can finalize the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this section, without the prior approval of or intimation to the Bidders.

(v) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion may Bid at Cut-off Price. However, Bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders will be rejected.

(vi) The Retail Discount and Employee Discount, if any, will be offered to Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, respectively at the time of making a Bid. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment at the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable, at the time of making a Bid.

(vii) Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band adjusted for the Retail Discount or Employee Discount, as applicable. Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion bidding at Cut-off Price shall deposit the Payment Amount based on the Cap Price, less Retail Discount or Employee Discount, as applicable, at the time of making a Bid into the Escrow Accounts. In case of ASBA Bidders bidding at the Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price, less Retail Discount or Employee Discount, as applicable. In the event the Payment Amount is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion who Bid at the Cut-off Price, the Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion who

Bid at the Cut-off Price will receive refunds of the excess amounts in the manner provided in this Red Herring Prospectus.

(viii) Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must ensure that the Payment Amount does not exceed ₹ 200,000. Please refer to the "***Issue Procedure - Grounds for Technical Rejections***" on page 380 below for information on rejection of Bids.

(ix) Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion should note that while filling the "Payment Details" block in the Bid-cum-Application Form, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must mention the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable.

(x) The members of the Syndicate and the SCSBs, as the case may be, shall enter the Bid options onto the electronic bidding system of the Stock Exchanges as indicated by the Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion in the Bid-cum-Application Form (without adjusting for the Retail Discount or Employee Discount, as applicable). Please refer to "***Issue Procedure - Grounds for Technical Rejections***" on page 380 below for information on rejection of Bids.

(xi) In accordance with the SEBI ICDR Regulations, QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision(s) must be made using the Revision Form. Retail Individual Bidders can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until finalization of Basis of Allotment.

(xii) Our Company in consultation with the BRLMs and the CBRLM will decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of ₹ 10,000 to ₹ 15,000. In the event of any revision in the Price Band, whether upward or downward, the minimum Bid size will remain [•] Equity Shares irrespective of whether the Payment Amount payable on such minimum Bid is not in the range of ₹ 10,000 to ₹ 15,000.

Bidder's PAN, Depository Account and Bank Account Details

On the basis of Bidder's PAN, DP ID and Client ID provided by them in the Bid-cum-Application Form and as entered into the electronic bidding system of the Stock Exchanges, the Registrar to the Issue will obtain from the Depository the Demographic Details registered with the Depository. These Demographic Details will be used for Allotment, technical rejections, giving refunds and unblocking of ASBA Accounts. Bidders are advised to immediately update their Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in failure to allot Equity Shares, delays in dispatch/credit of refunds to Bidders or unblocking of ASBA Accounts at the Bidders sole risk and neither the BRLMs, the CBRLM, the Registrar to the Issue, the Escrow Collection Banks, the SCSBs nor our Company will have any responsibility or undertake any liability for this.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DP ID AND CLIENT ID IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID-CUM-APPLICATION FORM IS THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE.

Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Bid-cum-Application Form is liable to be rejected and our Company and the members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

By signing the Bid-cum-Application Form, the Bidder is deemed to have authorized the Depositories to provide to the Registrar to the Issue, on request, the required Demographic Details as available in their records.

Refund Orders (where refunds are not being made electronically)/Allotment Advice will be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Furthermore, Allotment Advice for ASBA Bidders would be mailed at the address of the ASBA Bidders as per the Demographic Details received from the Depositaries. Delivery of refund orders/Allotment Advice may be delayed if the same, once sent to the address obtained from the Depositories, are returned undelivered. In such event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid-cum-Application Form will be used only to ensure dispatch of refund orders. Any such delay will be at the Bidders sole risk and neither our Company nor Escrow Collection Banks, SCSBs nor the BRLMs nor the CBRLM nor the members of the Syndicate nor the Registrar to the Issue will be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidders PAN (in case of joint Bids, PAN of first Bidder), the DP ID and Client ID, such Bids are liable to be rejected.

Payment Instructions

Payment mechanism for ASBA Bidders

For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the members of the Syndicate shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid-cum-Application Form with the relevant branch of the SCSB at the Syndicate ASBA Bidding Locations authorized to accept such Bid-cum-Application Forms relating to ASBA Bids from the members of the Syndicate (a list of such branches is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1353063270138.html). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Payment Amount specified in the Bid-cum-Application Form.

For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Payment Amount specified in the Bid-cum-Application Form, before entering the ASBA Bid into the electronic bidding system. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

ASBA Bidders should ensure that sufficient funds are available in the ASBA Account before submitting the Bid-cum-Application Form to the members of the Syndicate at the Syndicate ASBA Bidding Locations or the respective Designated Branch. An ASBA Bid where the corresponding ASBA Account does not have sufficient funds equal to the Payment Amount at the time of blocking the ASBA Account will be rejected.

In the event of withdrawal or rejection of the Bid-cum-Application Form or for unsuccessful Bid-cum-Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Bid/Issue Closing Date. The Payment Amount shall remain blocked in the ASBA Account until finalization of basis of allotment and consequent transfer of the Payment Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate will open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders will make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Payment Amount from Bidders in a certain category will be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of this Red Herring Prospectus, the Prospectus and the Escrow Agreement. The Escrow Collection Banks will maintain the monies in the Escrow Accounts until the Designated Date for and on behalf of the Bidders. The Escrow Collection Banks will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks will transfer the funds represented by allotment of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Escrow Collection Banks. The balance amount after transfer to the Public Issue Account will be transferred to the Refund Accounts. Payments of refund to the Bidders will also be made from the Refund Accounts are per the terms of the Escrow Agreement, this Red Herring Prospectus and the Prospectus.

The escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from Bidders.

Payment into Escrow Accounts for Bidders other than ASBA Bidders

Each Bidder (other than ASBA Bidders) will draw a cheque or demand draft or, for Anchor Investors, remit the funds electronically through the RTGS mechanism, for the entire Payment Amount as per the following terms:

(i) All Bidders would be required to pay the full Payment Amount at the time of the submission of the Bid-cum-Application Form. The Payment Amount should be calculated for the highest of three options, i.e., at the highest Bid Price less Retail Discount or Employee Discount, as applicable.

For details on completing the Bid-cum-Application Form, please refer to "*Issue Procedure - Instructions for completing the Bid-cum-Application Form*" on page 367.

In order to be eligible for allotment under the Retail Portion or Employee Reservation Portion, the Bidders should ensure that the Payment Amount does not exceed ₹ 200,000. Please refer to the "*Issue Procedure - Grounds for Technical Rejections*" on page 380 below for information on rejection of Bids.

(ii) The Bidders will, with the submission of the Bid-cum-Application Form, draw a payment instrument for the entire Payment Amount in favour of the Escrow Accounts and submit it to the member of the Syndicate. Bid-cum-Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

(iii) The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- In case of Resident Retail Individual Bidders: "Escrow Account – PCJ Public Issue – R"
- In case of Non-Resident Retail Individual Bidders: "Escrow Account – PCJ Public Issue – NR"
- In case of Eligible Employees bidding in the Employee Reservation Portion: "Escrow Account – PCJ Public Issue – Eligible Employees"

(iv) In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors will be required to pay such additional amount to the extent of shortfall between the Anchor Investor Issue Price and the Issue Price within the pay-in date referred to in the revised Allotment Advice. If the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by Anchor Investors will not be refunded to them.

(v) Our Company in consultation with the BRLMs and the CBRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. The payment instruments for payment into the Escrow Accounts for Anchor Investors should be drawn in favour of:

- In case of resident Anchor Investors: “Escrow Account – PCJ Public Issue – Anchor Investor – R”
- In case of non-resident Anchor Investors: “Escrow Account – PCJ Public Issue – Anchor Investor – NR”

(vi) Eligible NRIs bidding on a non-repatriation basis may make payments by inward remittance or by debits to NRE/FCNR/NRO accounts.

(vii) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance.

(viii) The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.

(ix) On the Designated Date, the Escrow Collection Banks will transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement, this Red Herring Prospectus and the Prospectus into the Public Issue Account with the Escrow Collection Banks.

(x) Within 12 Working Days from the Bid/Issue Closing Date, the Registrar to the Issue will dispatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/Allotment to the Bidders.

(xi) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.

(xii) Bidders are advised to mention the number of the Bid-cum-Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid-cum-Application Form.

Other Instructions

Joint Bids in case of Individuals

In case a Bid-cum-Application Form is submitted on behalf of joint Bidders, the signature of only the First Bidder would be required and the First Bidder should mention his/her PAN. All payments will be made out in favour of the First Bidder and all communications will be addressed to the First Bidder and dispatched to his or her address as per the Demographic Details received from the Depository. The First Bidder would have deemed to have signed on behalf of joint holders and would give requisite confirmation(s) on behalf of joint Bidders as provided in the Bid-cum-Application Form. The First Bidder shall be liable for all the obligations arising in relation to the Issue.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the PAN is the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid is made. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

Bids made by Eligible Employees bidding in the Employee Reservation Portion both under the Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

In case of ASBA Bidders, after Bidding on a Bid-cum-Application Form either in physical or electronic mode, where such ASBA Bid is submitted to the Designated Branches of SCSBs or with the member of the Syndicate at a Syndicate ASBA Bidding Location, and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another Bid-cum-Application Form either through the ASBA or non-ASBA process. Submission of a second Bid-cum-Application Form will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in "-***Build up of the Book and Revision of Bids***" on page 384.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that not more than five Bid-cum-Application Forms may be submitted with respect to any single ASBA Account.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids include the following:

- All Bids will be checked for common PAN as per Depository records. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and are liable to be rejected.
- For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids for whom the submission of PAN is not mandatory such as on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bids will be scrutinized for DP ID and Client ID. In case such Bids bear the same DP ID and Client ID, these will be treated as multiple Bids and are liable to be rejected.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN, DP ID and Client ID. In cases where the PAN, DP ID and Client ID is same, such Bids will be treated as multiple applications.

'PAN' or 'GIR' Number

In accordance with the SEBI ICDR Regulations, the PAN will be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Except for Bids on behalf of the Central or State Government, the officials appointed by the courts and investors residing in the State of Sikkim, the Bidder, or in the case of a Bid in joint names, the First Bidder, should mention his/her PAN allotted under the I.T. Act.

The exemption is subject to the Depository Participants' verifying the veracity of the identity of the Bidders by collecting sufficient documentary evidence in support of their claims.

Bid-cum-Application Forms without the PAN are liable to be rejected. In cases where the PAN is same, such Bids will be treated as multiple applications. Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified shall be suspended for credit and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

Withdrawal of ASBA Bids

Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can withdraw their Bids until finalization of Basis of Allotment. In case a Retail Individual Bidder or an Eligible Employee bidding in the Employee Reservation Portion applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, they can do so by submitting a request for the withdrawal of their Bid to the concerned SCSB or the concerned member of the Syndicate, as applicable, who shall take all necessary action, including unblocking of the funds by the SCSB in the ASBA Account. In case a Retail Individual Bidder or an Eligible Employee bidding in the Employee Reservation Portion wishes to withdraw the Bid after the Bid/Issue Period, they can do so by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account on the Designated Date.

QIBs and Non-Institutional Bidders cannot withdraw their Bids at any stage.

Right to Reject Bids

In case of QIBs, the members of the Syndicate or SCSBs can reject Bids at the time of acceptance of the Bid-cum-Application Form, provided that the reasons for such rejection shall be disclosed to such QIB in writing. Further, QIB Bids can also be rejected on technical grounds listed on page 380. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, Bids can be rejected on the technical grounds listed on page 380 or if all required information is not provided or the Bid-cum-Application Form is incomplete in any respect. However, our Company in consultation with the BRLMs and the CBRLM, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons. Consequent refunds will be made through any of the modes described in this Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's sole risk.

With respect to ASBA Bids, the Designated Branches of the SCSBs will reject ASBA Bids if at the time of blocking the Payment Amount in the ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in such ASBA Account. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company will have a right to reject the ASBA Bids only on technical grounds and/or as specified in this Red Herring Prospectus.

The Bidders are advised that in case the DP ID, Client ID and PAN mentioned in the Bid-cum-Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate or the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the depository database, the Bid is liable to be rejected.

Grounds for Technical Rejections

Bidders are advised that incomplete Bid-cum-Application Forms and Bid-cum-Application Forms that are not legible will be rejected by the members of the Syndicate or the SCSBs. Bidders are advised to note that Bids are liable to be rejected on technical grounds including the following:

(i) Bids by QIBs (other than Anchor Investors) or Non-Institutional Bidders not submitted through the ASBA process;

(ii) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the Bid-cum-Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

(iii) In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such will be entitled to apply (other than limited liability partnerships);

(iv) Where PAN details in the Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges, are not as per the records of the Depositories;

(v) Bids by Bidders whose dematerialized accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(vi) Bids for lower number of Equity Shares than the minimum specified for that category of Bidders;

(vii) Bids at a price less than the Floor Price (other than Bidders eligible for any discounts);

(viii) Bids at a price over the Cap Price;

(ix) Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;

(x) Bids for a Payment Amount of more than ₹ 200,000 by Bidders falling under the category of Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion;

(xi) Bids by persons who are not Eligible Employees and have submitted their Bids under the Employee Reservation Portion;

(xii) Submission of more than five Bid-cum-Application Forms per ASBA Account;

(xiii) Bids for number of Equity Shares which are not in multiples of [●];

(xiv) Multiple Bids as described in this Red Herring Prospectus;

(xv) Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Abridged Prospectus and this Red Herring Prospectus;

(xvi) In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first Bidder), the DP ID and the Client ID;

(xvii) Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;

(xviii) Bids by OCBs, QFIs, FVCIs or multilateral or bilateral development financial institutions or NRIs on repatriation basis;

(xix) Bids by persons not competent to contract under the Contract Act (other than minors having valid depository accounts as per Demographic Details provided by Depositories);

(xx) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(xxi) Bids where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;

(xxii) Bids not uploaded on the terminals of the Stock Exchanges;

(xxiii) Application on plain paper;

(xxiv) PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);

(xxv) GIR number furnished instead of PAN;

(xxvi) Bids by Eligible Employees who do not mention their employee number in the Bid-cum-Application Form;

(xxvii) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

(xxviii) Bids accompanied by cash, stockinvest, money order or postal order;

(xxix) With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Payment Amount specified in the Bid-cum-Application Form at the time of blocking such Payment Amount in the ASBA Account;

(xxx) Bid submitted without payment of the entire Payment Amount;

(xxxi) Bids by persons not falling in the following categories: (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as "QIBs"), in reliance on Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

(xxxii) Bids by QIB Bidders and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);

(xxxiii) Downward revision in Bids by QIB Bidders and Non-Institutional Bidders (except in relation to downward revision of Price Band);

For Bid-cum-Application Forms from non-ASBA Bidders, the Basis of Allotment will be based on the Registrar to the Issue's validation of the electronic bid details with the depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic bid details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic bid details and the depository database. In case of any discrepancy between the electronic Bid data and the depository records, our Company in consultation with the BRLMs and the CBRLM, the Registrar to the Issue and the Designated Stock Exchange, reserves the right to proceed as per the depository records or treat such Bid as rejected.

For ASBA Bids submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs, and match such data with the depository database for correctness of DP ID, Client ID and PAN. In cases where any DP ID, Client ID and PAN mentioned in the Bid file for an ASBA Bidder does not match the one available in the depository database, our Company reserves the right to proceed as per the depository records for such ASBA Bids or treat such ASBA Bids as rejected. The Registrar to the Issue will reject multiple ASBA Bids based on common PAN.

For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the Basis of Allotment will be based on the Registrar to the Issue's validation of the electronic bid details with the depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic bid details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic bid details and the depository database. In case of any discrepancy between the electronic Bid data and the depository records, our Company in consultation with the BRLMs and the CBRLM, the Registrar to the Issue and the Designated Stock Exchange, reserves the right to proceed as per the depository records or treat such Bid as rejected.

Electronic Registration of Bids

(i) The members of the Syndicate and the SCSBs will register the Bids received, except Bids received from Anchor Investors, using the online facilities of the Stock Exchanges. Details of Bids in the Anchor Investor Portion will not be registered on the online facilities of the Stock Exchanges. There will be at least one online connectivity in each city where the Stock Exchanges are located in India and where such Bids are being accepted. The BRLMs, the CBRLM, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by the SCSBs and the Syndicate Members, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Payment Amount has been blocked in the relevant ASBA Account. ASBA Bids will only be registered by the members of the Syndicate at the Syndicate ASBA Bidding Locations or the SCSBs.

(ii) In case of apparent data entry error by the members of the Syndicate or the collecting bank (for Bids other than ASBA Bids), or by the members of the Syndicate at the Syndicate ASBA Bidding Locations or the SCSBs, in entering the Bid-cum-Application Form number in their respective schedules other things remaining unchanged, the Bid-cum-Application Form may be considered as valid.

(iii) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bid/Issue Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bid/Issue Period may lead to some

Bids received on the last day not being uploaded and such Bids will not be considered for allocation. Bids will only be accepted on Working Days.

(iv) On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs will upload the Bids until such time as may be permitted by the Stock Exchanges. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Issue Closing Date to amend select data fields (DP ID and Client ID) entered by them in the electronic bidding system.

(v) The members of the Syndicate, SCSBs and Bidders should note that an additional provision for stamping has been made in the main body of the Bid-cum-Application Form or Revision Form under "Broker's/ SCSB Branch's Stamp" where the relevant member of the Syndicate or SCSB (as the case may be), which is responsible for uploading the Bid, shall affix its stamp only after the Bid has been uploaded as an acknowledgement of having uploaded the Bid in the Stock Exchange system.

(vi) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price will be made available at the Bidding centres and at the websites of each of the Stock Exchanges during the Bid/Issue Period.

(vii) At the time of registering each Bid (other than ASBA Bids), the members of the Syndicate shall enter the following details of the Bidder in the electronic system:

- Bid-cum-Application Form number.
- PAN (of the Sole/First Bidder).
- Investor Category.
- DP ID.
- Client ID.
- Numbers of Equity Shares Bid for.
- Price option and Payment Amount.
- Bid amount.
- Cheque number.

With respect to ASBA Bids, submitted directly to the SCSBs at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder in to the electronic system:

- Bid-cum-Application Form number.
- PAN (of the Sole/First Bidder).
- Investor Category.
- DP ID.
- Client ID.
- Numbers of Equity Shares Bid for.
- Price per Equity Share (price option).
- Bank account number.

With respect to ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, at the time of registering each Bid, the members of Syndicate shall enter the following details on the electronic system:

- Bid-cum-Application Form number.
- PAN (of the Sole/First Bidder).
- Investor Category.
- DP ID.
- Client ID.
- Numbers of Equity Shares Bid for.
- Price per Equity Share (price option).
- Bank code for the SCSB where the ASBA Account is maintained.
- Name of Syndicate ASBA Bidding Location.

- ASBA Account number.

(viii) A system generated acknowledgement, on demand, will be given to the Bidder as a proof of the registration of each of the Bidding options. **It is the Bidder's responsibility to obtain the acknowledgement from the members of the Syndicate or Designated Branches.** The registration of the Bid by the member of the Syndicate or the Designated Branches does not guarantee that the Equity Shares will be allocated/Allotted. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

(ix) In the case of QIBs, the members of the Syndicate/SCSBs have a right to accept the Bid or reject it. However, such rejection will be made at the time of receiving the Bid-cum-Application Form and only after assigning a reason for such rejection in writing. Further QIB Bids can also be rejected on technical grounds listed on page 380. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion, Bids may be rejected on technical grounds. The members of the Syndicate/SCSBs may also reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect.

(x) The permission given by the Stock Exchanges to use their network and software of the online electronic system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs and/or the CBRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus or this Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(xi) Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The members of the Syndicate and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid/Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Bid/Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and the CDSL.

(xii) Details of Bids in the Anchor Investor Portion will not be registered on the online system of the Stock Exchanges.

Build up of the book and revision of Bids

(i) Bids received from various Bidders through the members of the Syndicate and the SCSBs will be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(ii) The book gets built up at various price levels. This information will be available with the BRLMs and the CBRLM at the end of the Bid/Issue Period.

(iii) Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion are permitted to revise their Bid(s) during the Bid/Issue Period using the Revision Form.

(iv) Revisions can be made in both the desired number of Equity Shares and the Bid Price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms. Bidders should ensure that the Bid options provided in the Revision Form are in the same order as that provided in the Bid-cum-Application Form submitted earlier.

(v) QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or the Bid Amount) during the Bid/Issue Period. Such upward revision(s) must be made using the Revision Form.

(vi) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(vii) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) (a), in case of ASBA Bids, issue instructions to block the revised/additional amount based on cap of the revised Price Band (adjusted for the Retail Discount and Employee Discount, as applicable) in the ASBA Account, to the same member of the Syndicate or the same Designated Branch (as the case may be) through whom such Bidder had placed the original Bid, or (ii) (b) in case of Bids other than ASBA Bids, make additional payment based on the cap of the revised Price Band (adjusted for the Retail Discount and Employee Discount, as applicable) to the same member of the Syndicate through whom such Bidder had placed the original Bid, such that the total amount payable, i.e., original Payment Amount plus additional payment does not exceed ₹ 200,000 (if the Bidder wants to continue to Bid at Cut-off Price). If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price. Please refer to the "***Issue Procedure - Grounds for Technical Rejections***" on page 380 for information on rejection of Bids.

(viii) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be unblocked in case of ASBA Bids or refunded from the Escrow Account in case of Bids other than ASBA Bids.

(ix) Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion should note that while filling the "Payment Details" block in the Bid-cum-Application Form or Revision Form, Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion must mention the Payment Amount, i.e., the Bid Amount less Retail Discount or Employee Discount, as applicable. In order to be eligible to get allotment under Retail Portion or Employee Reservation Portion, the Bidders should ensure that the Payment Amount does not exceed ₹ 200,000. Please refer to "***Issue Procedure - Grounds for Technical Rejections***" on page 380 for information on rejection of Bids.

(x) The excess amount, if any resulting from downward revision of the Bid would be returned to the Retail Individual Bidder or the Eligible Employee bidding in the Employee Reservation Portion at the time of refund in accordance with the terms of this Red Herring Prospectus.

(xi) Any revision of the ASBA Bid shall be accompanied by instructions to block the revised/additional Payment Amount, if any, on account of the upward revision of the ASBA Bid. The Revision form and upward revision of the ASBA Bid at the time of one or more revisions will be provided to the same member of the Syndicate or the same Designated Branch, as the case may be, through whom such ASBA Bidder had placed the original ASBA Bid. In such cases, the member of the Syndicate or the Designated Branch, as the case may be, will revise the earlier ASBA Bid details with the revised ASBA Bid.

With respect to the Bids, other than ASBA Bids, any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the additional amount, if any, to be paid on account of the upward revision of the Bid. In case of Bids, other than ASBA Bids, the members of the Syndicate shall collect the additional payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book.

The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(xii) When a Bidder revises his or her Bid, he or she will surrender the earlier acknowledgement and will, on demand, receive a revised acknowledgement from the members of the Syndicate or Designated Branches, as applicable. It is the responsibility of the Bidder to request for and obtain the revised acknowledgement, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(i) Based on the demand generated at various price levels, our Company in consultation with the BRLMs and the CBRLM will finalize the Issue Price.

(ii) Allocation to Anchor Investors will be at the discretion of our Company in consultation with the BRLMs and the CBRLM, subject to compliance with the SEBI ICDR Regulations. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in public domain by the BRLMs and the CBRLM before the Bid/Issue Opening Date.

(iii) If the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.

(iv) Any unsubscribed portion in any reserved category shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue to the public category, spill-over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange.

(v) Allocation to Non-Residents, including Eligible NRIs, and FIIs will be subject to applicable law.

(vi) The BRLMs and the CBRLM in consultation with our Company will notify the members of the Syndicate of the Issue Price and allocations to Anchor Investors, where the full Payment Amount has not been collected from the Anchor Investors due to the Issue Price being higher than the Anchor Investor Issue Price.

(vii) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date, but before the Allotment without assigning any reasons whatsoever subject to SEBI ICDR Regulations.

(viii) In accordance with the SEBI ICDR Regulations, QIB Bidders and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until finalization of Basis of Allotment.

Signing of Underwriting Agreement and RoC Filing

(i) Our Company, the BRLMs, the CBRLM and the Syndicate Members will enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price.

(ii) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in terms of Section 56, 60 and 60B of the Companies Act, which then will be termed the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company will, after registering this Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of *Financial Express* (a widely circulated English national newspaper) and all editions of *Jansatta* (a widely circulated Hindi national newspaper).

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, will indicate the Issue Price. Any material updates between the date of this Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

(i) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the SCSBs a list of the successful Bidders who have been or are to be Allotted Equity Shares in the Issue.

(ii) The Registrar to the Issue will send the Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

(iii) The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder. The issuance of Allotment Advice is subject to "***Notice to Anchor Investors: Allotment Reconciliation***" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation

A physical book will be prepared by the Registrar to the Issue on the basis of the Bid-cum-Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company, the BRLMs and the CBRLM, selected Anchor Investors will be sent an Allotment Advice indicating the number of Equity Shares that may be allocated to them post Anchor Investor Bid/Issue Period. In the event that the Issue Price is higher than the Anchor Investor Issue Price, the Anchor Investors will be sent a revised Allotment Advice within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised Allotment Advice within the pay-in date referred to in the revised Allotment Advice. The dispatch of an Allotment Advice or any revision thereof, will constitute a valid, binding and irrevocable contract for the Anchor Investor to pay the difference between the Issue Price and the Anchor Investor Issue Price and for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares

(i) Our Company will ensure that Allotment of Equity Shares and credit to successful Bidder's depository account are completed within 12 Working Days of the Bid/Issue Closing Date.

(ii) In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment will be made only in dematerialized form to successful Bidders.

(iii) Successful Bidders will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them in the Issue.

Basis of Allotment

For Retail Individual Bidders

(i) Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

(ii) The Net Issue less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at Cut-Off Price or a price that is equal to or greater than the Issue Price.

(iii) If the aggregate demand in this category is less than or equal to 15,671,250 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

(iv) In the event, the Bids received from Retail Individual Bidders exceeds 15,671,250 Equity Shares, then the maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to Retail Individual Bidders will then be made in the following manner:

- In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such Retail Individual Bidders shall be Allotted the minimum Bid Lot; and (ii) the available balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the Retail Individual Bidders who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

- In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

For details see, "***–Illustration Explaining Procedure of Allotment to Retail Individual Bidders***" on page 391.

(v) Each successful Retail Individual Bidder shall be Allotted a minimum of [●] Equity Shares, subject to availability in of Equity Shares in the Retail Portion.

For Non-Institutional Bidders

(i) Bids received from Non-Institutional Bidders at or above the Issue Price will be grouped together to determine the total demand under this category. Allotment to successful Non-Institutional Bidders will be made at the Issue Price.

(ii) The Net Issue size less Allotment to QIBs and Retail Portion will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 6,716,250 Equity Shares at or above the Issue Price, full Allotment will be made to Non-Institutional Bidders to the extent of their demand.

(iii) If the aggregate demand in this category is greater than 6,716,250 Equity Shares at or above the Issue Price, Allotment will be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment see below.

For QIBs in the QIB Portion (excluding the Anchor Investor Portion)

(i) Bids received from the QIB Bidders at or above the Issue Price will be grouped together to determine the total demand under this portion. Allotment to successful QIB Bidders will be made at the Issue Price. The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

(ii) Allotment will be undertaken in the following manner:

- In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) will be determined as follows:

  (a) In the event Mutual Fund Bids exceed 5% of the QIB Portion (excluding the Anchor Investor Portion), allocation to Mutual Funds will be done on a proportionate basis for up to 5% of the QIB Portion (excluding the Anchor Investor Portion).

  (b) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds will get full Allotment to the extent of valid Bids received above the Issue Price.

  (c) Any Equity Shares remaining unsubscribed and not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out below;

(iii) In the second instance Allotment to all QIBs will be determined as follows:

- In the event of over-subscription in the QIB Portion (excluding the Anchor Investor Portion), all QIB Bidders who have submitted Bids at or above the Issue Price will be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion. For method of proportionate Basis of Allotment, see below.

- Mutual Funds which have received allocation as set out above for less than the number of Equity Shares Bid for by them are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders (excluding the Anchor Investor Portion).

- Any under-subscription from Mutual Funds below 5% of the QIB Portion (excluding Anchor Investor Portion) will be included for allocation to the remaining QIB Bidders on a proportionate basis.

(iv) The aggregate Allotment to QIB Bidders including Anchor Investors will be 22,387,500 Equity Shares.

For Employee Reservation Portion

(i) The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter so as to ensure that the Payment Amount by the Eligible Employees bidding in the Employee Reservation Portion does not exceed ₹ 200,000. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may bid at Cut-Off Price.

(ii) The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

(iii) Bids received from the Eligible Employees bidding in the Employee Reservation Portion at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees bidding in the Employee Reservation Portion will be made at the Issue Price.

(iv) If the aggregate demand in this category is less than or equal to 358,500 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees bidding in the Employee Reservation Portion to the extent of their demand.

(v) If the aggregate demand in this category is greater than 358,500 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

(vi) Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

For Anchor Investor Portion

(i) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLMs and the CBRLM, subject to compliance with the following requirements:

- not more than 30% of the QIB Portion will be available for allocation to Anchor Investors;
- one-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
- allocation to Anchor Investors will be on a discretionary basis and subject to a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100.00 million; minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor, and minimum of five and maximum of 25 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 2,500.00 million, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor.

(ii) The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price will be made available in the public domain by the BRLMs and the CBRLM before the Bid/Issue Opening Date by informing the Stock Exchanges.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

(i) Issue Details

Sl. No.	Particulars	Issue details
1.	Issue size	202 million equity shares
2.	Employee Reservation Portion	2 million equity shares
3.	Portion available to QIBs*	100 million equity shares
4.	Anchor Investor Portion	30 million
5.	Portion available to QIBs* other than anchor investors [(3) – (4)]	70 million equity shares
	Of which	
a.	Reservation to MF (5%)	3.5 million equity shares
b.	Balance for all QIBs including MFs	66.5 million equity shares
6.	No. of QIB applicants	10
7.	No. of shares applied for	500 million equity shares

** Where not more than 50% of the issue size is required to be allocated to QIBs.*

(ii) Details Of QIB Bids

S. No.	Type of QIB bidders	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	**500**

A1-A5 (QIB bidders other than MFs)
MF1-MF5 (QIB bidders which are MFs)

(iii) Details of Allotment to QIB Bidders

(No. of equity shares in million)

Type of QIB bidders	Equity shares bid for	Allocation of 3.5 million equity shares to MFs proportionately (See Note ii)	Allocation of balance 66.5 million equity shares to QIBs proportionately (See Note iv)	Aggregate allocation to MFs
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0
MF1	40	0.7	5.32	6.02
MF2	40	0.7	5.32	6.02
MF3	80	1.4	10.64	12.04
MF4	20	0.35	2.66	3.01
MF5	20	0.35	2.66	3.01
	500	**3.5**	**66.5**	**30.1**

Notes:

(i) The illustration presumes compliance with the requirements specified in "***Issue Structure***" on page 347.

(ii) Out of 70 million equity shares allocated to QIBs, 3.5 million (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.

(iii) The balance 66.5 million equity shares [i.e. 70 – 3.5 (available for MFs)] will be allocated on proportionate basis among 10 QIB applicants who applied for 500 shares (including 5 MF applicants who applied for 200 shares).

(iv) The figures at Col. No. IV are arrived as under:

- For QIBs other than mutual funds (A1 to A5) = No. of shares bid for (i.e. Col II) X 66.5/ 496.5
- For mutual funds (MF1 to MF5) = {(No. of shares bid for (i.e. Col II) less shares allotted (i.e., col. III)} X 66.5/ 496.5
- The numerator and denominator for arriving at allocation of 66.5 million shares to the 10 QIBs are reduced by 3.5 million shares, which has already been allotted to mutual funds at Col. No. (III).

Illustration Explaining Procedure of Allotment to Retail Individual Bidders *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

A.

(1) Total no. of specified securities on offer at ₹ 600 per equity share: 10 million specified securities.

(2) Specified securities on offer for retail individual investors' category: 3.5 million specified securities.

(3) The issue is over-subscribed 2.5 times whereas the retail individual investors' category is oversubscribed 4 times.

(4) Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.

(5) Assume that a total of 100,000 retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 - 16 bid lots, based on the maximum application size of up to ₹ 200,000.

(6) Out of the 100,000 investors, there are five retail individual investors A, B, C, D and E who have applied as follows: A has applied for 320 specified securities. B has applied for 220 specified securities. C has applied for 120 specified securities. D has applied for 60 specified securities and E has applied for 20 specified securities.

(7) As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The actual entitlement shall be as follows:			
Sr. No.	**Name of**	**Total Number of**	**Total number of specified securities eligible to be allotted**

	Investor	specified securities applied for	
1	A	320	20 specified securities (i.e. the minimum bid lot) + 38 specified securities [{35,00,000 - (1,00,000 * 20)} / {140,00,000 - (1,00,000 * 20)}] * 300 (i.e. 320-20)
2	B	220	20 specified securities (i.e. the minimum bid lot) + 25 specified securities [{35,00,000 - (1,00,000 * 20) / {140,00,000 - (1,00,000 * 20)}] * 200 (i.e. 220-20)
3	C	120	20 specified securities (i.e. the minimum bid lot) + 13 specified securities [{35,00,000 - (1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 100 (i.e. 120-20)
4	D	60	20 specified securities (i.e. the minimum bid lot) + 5 specified securities [{(35,00,000 - 1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 40 (i.e. 60-20)
5	E	20	20 specified securities (i.e. the minimum bid lot)

B.

(1) Total no. of specified securities on offer at ₹ 600 per share: 10 million specified securities.

(2) Specified securities on offer for retail individual investors' category: 3.5 million specified securities.

(3) The issue is over subscribed 7 times whereas the retail individual investors' category is over subscribed 9.37 times.

(4) Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.

(5) Assume that a total of 200,000 retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 - 16 bid lots, based on the maximum application size of up to ₹ 200,000, as per the table shown below.

(6) As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares.

(7) Since the total number of shares on offer to retail individual investors is 3,500,000 and the minimum bid lot is 20 shares, the maximum no. of investors who can be allotted this minimum bid lot will be 175,000. In other words, 175,000 retail applicants will get the minimum bid lot and the remaining 25,000 retail applicants will not get allotment.

The details of allotment shall be as follows:				
No. of Lots	**No. of Shares at each lot**	**No. of retail Investors applying at each lot**	**Total No. of Shares applied for at each lot**	**No. of investors who shall receive minimum bid-lot (to be selected on lottery)**
A	**B**	**C**	**D=(B*C)**	**E**
1	20	10,000	200,000	8,750 =(1,75,000/2,00,000)* 10,000
2	40	10,000	400,000	8,750
3	60	10,000	600,000	8,750
4	80	10,000	800,000	8,750
5	100	20,000	2,000,000	17,500
6	120	20,000	2,400,000	17,500
7	140	15,000	2,100,000	13,125
8	160	20,000	3,200,000	17,500
9	180	10,000	1,800,000	8,750
10	200	15,000	3,000,000	13,125
11	220	10,000	2,200,000	8,750
12	240	10,000	2,400,000	8,750
13	260	10,000	2,600,000	8,750
14	280	5,000	1,400,000	4,375
15	300	15,000	4,500,000	13,125
16	320	10,000	3,200,000	8,750
Total	**200,000**	**328,00,000**	**175,000**	

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company will finalize the basis of Allotment in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs, the CBRLM and the Registrar to the Issue will be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment to the QIB Bidders (except Anchor Investors), Non-Institutional Bidders and Eligible Employees Bidding in the Employee Reservation Portion shall be made in marketable lots, on a proportionate basis as explained below:

(i) Bidders will be categorized according to the number of Equity Shares applied for.

(ii) The total number of Equity Shares to be allotted to each category as a whole will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(iii) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

(iv) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment will be made as follows:

- The successful Bidders out of the total Bidders for a category will be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is as far as possible, equal to the number of Equity Shares calculated in accordance with (ii) above; and

- Each successful Bidder will be allotted a minimum of [●] Equity Shares.

(v) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it will be rounded off to the lower whole number. Allotment to all in such categories will be arrived at after such rounding off.

(vi) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment will be first adjusted against any other category, where the allocated Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. Any Equity Shares remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors will be at the sole discretion of our Company in consultation with the BRLMs and the CBRLM.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per Section 68B of the Companies Act, the Allotment of Equity Shares in the Issue will be only in dematerialized form.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

(i) Agreement dated December 9, 2011, between NSDL, our Company and the Registrar to the Issue;

(ii) Agreement dated November 24, 2011, between CDSL, our Company and the Registrar to the Issue.

Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(i) A Bidder applying for Equity Shares must have at least one valid Beneficiary Account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(ii) The Bidder must necessarily fill in the details (including the PAN, Client ID and DP ID) appearing in the Bid-cum-Application Form or Revision Form.

(iii) Allotment to a successful Bidder will be credited in electronic form directly to the Beneficiary Account (with the Depository Participant) of the Bidder.

(iv) The name of the sole/ First Bidder mentioned in the Bid-cum-Application Form or Revision Form should be identical to that appearing in the account details in the Depository.

(v) Bid-cum-Application Forms or Revision Forms containing incomplete or incorrect details under the heading 'Bidders Depository Account Details' are liable to be rejected.

(vi) With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified shall be suspended for credit and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

(vii) The Bidder is responsible for the correctness of his Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his Depository Participant.

(viii) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(ix) Trading in the Equity Shares will be in dematerialized form only, on the dematerialized segments of the Stock Exchanges.

Communications

All future communications in connection with queries related to Allotment, credit of Equity Shares, refunds, non-receipt of Allotment Advice and other post-Issue matters should be addressed to the Registrar to the Issue. In case of ASBA Bids submitted to the SCSBs, the Bidders should contact the relevant SCSB. In case of queries related to ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, the Bidders should contact the relevant member of the Syndicate. All such communications should quote the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch, as the case may be, where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Payment Amount was blocked. All grievances relating to the ASBA process may also be copied to the Registrar to the Issue.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective Beneficiary Accounts, refund orders etc.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Payment of Refunds

In the case of Bidders other than ASBA Bidders, the Registrar to the Issue will obtain from the Depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Bidders in their Bid-cum-Application Forms. Accordingly, Bidders are advised to immediately update their bank account details as appearing on the records of their Depository Participants. Failure to do so could result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Banks, nor the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In the case of Bids from Eligible NRIs and FIIs, any refunds, dividends, and other distributions, will normally be payable in Indian Rupees only and net of bank charges and/or commission.

Mode of Refunds

For Bidders other than ASBA Bidders

For Bidders other than ASBA Bidders, any payment of refund will be through any of the following modes:

(i) NECS – Payment of refund will be through NECS for Bidders having an account at any of the centres specified by the RBI except where the applicant, being eligible, opts to receive refund through direct credit or RTGS. This mode of payment of refunds is subject to availability of complete bank account details, including the MICR code, from the Depositories.

(ii) Direct Credit – Bidders having bank accounts with the Refund Banks, as per the Demographic Details received from the Depositories will be eligible to receive refunds through direct credit. Any bank charges levied by the Refund Banks will be borne by our Company.

(iii) RTGS – Bidders having a bank account with a bank branch which is RTGS-enabled as per the information available on the RBI's website and whose refund amount is equal to or exceeds ₹ 0.2 million, will be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Any bank charges levied by the Refund Banks will be borne by our Company. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective Bidders.

(iv) NEFT – Payment of refund will be undertaken through NEFT wherever the Bidders' bank branches are NEFT enabled and have been assigned the IFSC, which can be linked to an MICR code of that particular bank branch. The IFSC will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with an MICR code. In the event NEFT is not operationally feasible, the payment of refunds will be made through any one of the other modes discussed in this section.

(v) For all other Bidders, including those who have not updated their bank particulars with the MICR code, refund orders will be dispatched through speed or registered post (subject to postal rules) at the Bidder's sole risk. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Any bank charges for cashing such cheques, pay orders or demand drafts at other centers will be payable by the respective Bidders.

Unblocking of ASBA Accounts and Refunds for ASBA Bidders

On the finalization of the Basis of Allotment, the Registrar to the Issue shall send an appropriate instruction to the relevant SCSBs for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue Account. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any in the ASBA Account. The Payment Amount may also be unblocked in the ASBA Account in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be. Instructions for unblocking of the ASBA Accounts will be made within 12 Working Days from the Bid/Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in Case of Delay

With respect to Bidders other than ASBA Bidders, our Company will ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give credit of Equity Shares to the Beneficiary Account with Depository Participants within 12 Working Days from the Bid/Issue Closing Date. With respect to the ASBA Bidders, our Company shall ensure dispatch of Allotment Advice and/or unblocking of funds in the ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

In case of Bidders who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date. A suitable communication will be sent to the Bidders receiving refunds through this mode within 12 Working Days from the Bid/Issue Closing Date, giving details of the bank where refunds will be credited along with amount and expected date of electronic credit of refund.

Our Company shall ensure that all steps for completion of the necessary formalities for listing is completed and trading commences within 12 Working Days of the Bid/Issue Closing Date at all the Stock Exchanges where the Equity Shares are proposed to be listed.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

(i) Allotment of Equity Shares will be made only in dematerialized form, including the credit of Allotted Equity Shares to the Beneficiary Accounts of the Depository Participants, within 12 Working Days of the Bid/Issue Closing Date;

(ii) With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in case the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days from the Bid/Issue Closing Date will be ensured. With respect to the ASBA Bidders' instructions for unblocking of the ASBA Accounts will be made within 12 Working Days from the Bid/Issue Closing Date; and

(iii) If Allotment letters/refund orders have not been dispatched to the Bidders or if, in case the refund or portion thereof is made in electronic manner through direct credit, NEFT, RTGS or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner and/or demat credits are not made to investors within eight days from the day our Company becomes liable to repay, our Company and every officer in default will, on and from the expiry of such eight days, be jointly and severally liable to repay the money with interest at 15% *per annum*, as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company will ensure dispatch of any refund orders by speed or registered post (subject to postal rules) at the sole or first Bidders' sole risk within 12 Working Days from the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter by ordinary post, intimating them of the mode of credit of refund within 12 Working Days from the Bid/Issue Closing Date.

In the case of ASBA Bidders, the Registrar to the Issue will instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Payment Amounts specified in the Bid-cum-Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids, within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar to the Issue

Allotment of Equity Shares in the Issue, including the credit of Allotted Equity Shares to the Beneficiary Accounts of the Depository Participants, will be made not later than 12 Working Days of the Bid/Issue Closing

Date. If Allotment letters/refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through direct credit, NEFT, RTGS or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner and/or demat credits are not made to investors within eight days from the day our Company becomes liable to repay, our Company and every officer in default will, on and from the expiry of such eight days, be jointly and severally liable to repay the money with interest at 15% *per annum*, as prescribed under sub-section (2) and (2A) of section 73 of the Companies Act.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Banks and payable at par at places where Bids are received. Any bank charges for encashing such cheques, pay orders or demand drafts at other centres will be payable by the respective Bidders.

Undertakings by our Company

Our Company undertakes the following:

(i) That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

(ii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/ Issue Closing Date;

(iii) That funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

(iv) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(v) That the refund orders to Bidders including Eligible NRIs (other than through electronic mode and for ASBA Bidders) shall be dispatched within specified time;

(vi) That no further issue of Equity Shares shall be made until the Equity Shares issued through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

(vii) That adequate arrangements shall be made to collect all Bid-cum-Application Forms in relation to ASBA and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Utilization of Issue Proceeds

Our Board certifies that:

(i) all monies received out of the Issue of Equity Shares to the public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act;

(ii) details of all monies utilised out of the Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and

(iii) details of all unutilised monies out of the issue of Equity Shares referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Board also certifies that:

(i) the utilization of monies received from the Employee Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilized; and

(ii) the details of all unutilized monies out of the funds received from the Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutilized monies have been invested.

Withdrawal of the Issue

Our Company in consultation with the BRLMs and the CBRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days of such decision, providing reasons for not proceeding with the Issue. The BRLMs and the CBRLM, through the Registrar to the Issue, will notify the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such notification. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it will file a fresh offer document with the SEBI.

We are also required to obtain final acknowledgement of the Prospectus from the RoC after it is filed with the RoC. Notwithstanding the foregoing, subsequent to Allotment, the Issue is subject to obtaining the final listing and trading approval of the Stock Exchange, which our Company shall apply for only after Allotment.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act, and the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

2. No regulations contained in Table A in the First Schedule to the Companies Act, 1956, or in the Schedule to any previous Companies Act, shall apply to this Company, except in regard to matters not specifically provided in these Articles.

SHARE CAPITAL

3. The Authorised Share Capital of the Company shall be such amount and be divided into such Shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to subdivide, reduce, consolidate and increase and with power from time to time, to divide the Capital into several classes and to attach thereto any rights and, subject to the provisions of the Act, to vary such rights. The paid up capital of the Company shall not be less than Rs. 500,000 (Rupees Five Lakhs) or such higher sum as may be prescribed by the Act.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class may, subject to the provisions of sections 106 and 107, and whether or not the company is being wound-up, be varied (unless otherwise provided by the terms of issue of the shares of that class) with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

ALTERATION OF CAPITAL

5. The Company in General Meeting may, from time to time, increase the Capital of the Company by the creation of new shares. Such increase to be of such aggregate amount and to be divided into shares of such amount and of such classes with such rights and privileges attached thereto as the General Meeting shall direct by specifying the same in the resolution. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given as the Directors shall determine, Whenever the capital of the Company has been increased under the provisions of these Articles, the Company shall comply with the provisions of section 97 of the Act.

6. Except in so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions contained herein, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

7. Subject to the provisions of section 80 of the Act, the Company shall have the power to issue Preference Shares, which are or at the option of the Company are liable to redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

8. The Company may (subject to the provisions of section 78, 80, 100 to 105 of the Act) from time to time by Special Resolution, reduce its capital out of the Capital Redemption Reserve Account or Security Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise and may, if and so far as is necessary, alter its Memorandum of Association by reducing the amount of its share capital and of its shares accordingly. This Article is not to derogate from any power the Company would have if it were omitted.

9. The Company may, in its General Meeting, alter the conditions of its Memorandum as follows:

   (a) Consolidate and divide all or any of its shares into shares of larger amounts than its existing shares;

(b) Sub-divide its shares or any of them into shares of smaller amounts than originally fixed by the Memorandum, subject nevertheless to the provisions of the Act and these Articles; and

(c) Cancel shares which, at the date of the General Meeting passing such resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

10. Whenever the capital, by reason of issue of Preference Shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of section 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued Shares of that class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of Shares of that class.

11. Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy back such of the Company's own Shares or other securities as it may think proper subject to such limits, upon such terms and conditions and subject to such approvals as may be provided by law, and in accordance with the provisions of section 77A, 77AA and 77B of the Companies Act, 1956, or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard.

12. Subject to the terms and conditions prescribed in section 79A of the Act and the rules and regulations prescribed in this connection, the Board of Directors, may offer, issue and allot Shares in the Capital of the Company as sweat equity shares or shares under the employees stock option scheme / employees stock option plan / employee stock purchase scheme and such other plans by whatever name called.

SHARES AND CERTIFICATES

13. The Company shall cause to be kept a Register and Index of Members in accordance with section 150 and 151 of the Act. The Company shall be entitled to keep in any State or Country outside India a Branch Register of Members resident in that State or Country.

14. Save and except for dematerialisation of Shares or Shares held in fungible form with a Depository, the Shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

15. Subject to the provisions of section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

16. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then:

(i) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date.

(ii) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right.

(iv) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner and to such persons(s) as they think most beneficial to the Company.

(b) Notwithstanding anything contained in sub-Article (a) the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-Article (a) hereof) in any manner whatsoever.

(i) If a Special Resolution to that effect is passed by the Company in General Meeting, or

(ii) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company.

(c) Nothing in sub-clause (iii) of sub-Article (a) hereof shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company:

(i) To convert such Debentures or loans into Shares in the Company; or

(ii) To subscribe for Shares in the Company.

Provided that the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term;

(a) Either has been approved by the Central Government before the issue of Debentures or the raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf; and

(b) In the case of Debentures or loans or other than Debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the Special Resolution passed by the Company in General Meeting before the issue of the loans.

17. An application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles

and every person who, thus or otherwise, agrees to accept in writing the Shares and whose name is entered on the Register of Members shall for the purpose of these Articles be a Member.

18. The money (if any) which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect, of any Shares allotted by it, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holders of such Shares become as a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

19. The Company may, subject to the provisions of section 76 and other applicable provisions (if any) of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscription, whether absolutely or conditionally, for any shares or Debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or Debentures or partly in the one way and partly in the other. The Company may also on any issue of shares or Debentures pay such brokerage as may be lawful.

20. Every Member or his heirs executors, assignees, administrators or other representatives shall pay to the Company the portion of the capital represented by his share or Shares, which may for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner as the Board shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

21. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery of such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holders.

22. (a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for the issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Director shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act, or rules applicable thereof in this behalf.

The provisions of this Article shall mutatis mutandis apply to Debentures of the Company.

(b) When a new share certificate has been issued due to a share certificate being worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No ………… sub-divided / replaced / on consolidation of Shares".

(c) When a new share certificate has been issued against a share certificate being lost or destroyed, it shall state on the face of it and against the stub or counterfoil to the effect that it is 'Duplicate issued in lieu of share certificate no. ………………' The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate.

(d) Where a new share certificate has been issued in pursuance of sub-Article (a) of this Article, particulars of every such share certificate shall be entered in Register of Renewed and Duplicate Certificates indicating against the name or names of the person or persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the 'Remarks' column.

(e) All blank forms to be issued for issue of share certificates shall be printed and printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engraving, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for such purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(f) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all blocks and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub Article (e).

(g) All books referred to in sub-Article (f) shall be preserved in good order permanently.

23. If any Shares stand in the name of two or more persons the person first named in the Register of Members shall as regards receipt of dividend, bonus or service of notice and all or any other matters connected with the Company, except voting at meeting and the transfer of Shares, be deemed to be the sole holder thereof but joint holders of Shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such Shares and for all incidents thereof according to the Company's regulations.

24. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof, any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint name of any two or more persons or the survivor or survivors of them.

DEMATERIALISATION OF SECURITIES

25. Beneficial owner

(1) Notwithstanding anything contrary contained in these Articles, the Company shall be entitled to dematerialise its existing securities or rematerialise its securities held with a depository and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(2) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such person who is the Beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the Beneficial owner the required certificates of Securities.

(3) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the Beneficial owner of the security.

(4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in

sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the Beneficial owners.

(5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial owner.

(b) Save as otherwise provided in sub-Article (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the Beneficial owner in the records of the depository shall be deemed to be a Member of the Company. The Beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the Beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(7) Nothing contained in section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as Beneficial owners in the records of a depository.

(8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

(10) The Register and Index of Beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

(11) The provisions contained in Article 25 shall be subject to the provisions of the Depositories Act in relation to dematerialisation/rematerialisation of securities, including any modification(s)/reenactment thereof and any rules/regulations made thereunder and shall prevail and apply accordingly.

INTEREST OUT OF CAPITAL

26. Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which can not be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by section 208 of the Act, and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of any plant.

CALLS

27. The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the Members in respect of all monies unpaid on the Shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

28. Whenever any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article, shares of the same nominal value of which different amounts have been paid-up shall not be deemed to fall under the same

class.

29. Fifteen days notice in writing of any call shall be given by the Company/Board specifying the time, place of payment, and the person or persons to whom such calls shall be paid.

30. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board and may be made payable by the Members whose names appears on the Register of Members on such date or at the discretion of the Board on such subsequent date as may be fixed by the Board.

31. A call may be revoked or postponed at the discretion of the Board.

32. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members who, on account of residence at a distance or other cause, the Board may deem fairly entitled to such extension as of right save as a matter of grace and favour.

33. If any Member fails to pay any call due from him or any part thereof on the day appointed for the payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member, and the Board shall be at liberty to waive payment of such interest either in wholly or in part.

34. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

35. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

36. The Directors may, if they think fit, subject to the provisions of section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on Debenture of the Company.

LIEN

37. The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures. Unless otherwise agreed the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/ Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

38. For the purpose of enforcing such lien the Board may sell the Shares subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of its Members to execute a transfer thereof on behalf of and in the name of such Member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

39. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the persons entitled to the share at the date of the sale.

FORFEITURE OF SHARES

40. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.

41. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding 18 per cent per annum as the Board shall determine from the day in which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the Shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

42. If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time there after but before payment of calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited Shares and not actually paid before the forfeiture.

43. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

44. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

45. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand any calls, amounts, installments, interest and expenses owing upon or in respect of such Shares at the time of forfeiture, together with interest thereon from the time of the forfeiture, until a payment, at such rate (not exceeding 18 percent per annum) as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

46. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and of all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

47. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

48. Upon any sale after forfeiture or for enforcing a lien purported exercise of the power hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the

purchaser's name to be entered in the Register of Members in respect of the share sold, and the purchaser shall not be bound to see the regularity of the proceedings, or to the applications of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

49. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

50. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annuls the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

51. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

52. The instrument of transfer shall be in writing and all provision of section 108 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof. In case of transfer of Shares where the Company has not issued any certificates and where the Shares are held in dematerialised form, the provisions of the Depositories Act shall apply.

53. The Company shall use a common form of transfer.

54. The instrument of transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the Shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such Shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of the transfer the Share certificate(s) must be delivered to the Company.

55. The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the Transfer Books, the Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

56. Subject to the provisions of section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

57. Wherein in the case of partly paid up Shares, an application for registration is made by the transferor; the Company shall give notice of the application to the transferee in accordance with the provisions of section 110 of the Act.

58. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on Shares held by him jointly with any other person.

59. In the absence of a nomination recorded in accordance with section 109A of the Act, read with section 109B of the Act, which shall, in any event, have precedence, the executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased Member (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in India; provided that in any case where the Board on its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 61 register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased Member, as a Member.

60. No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.

61. Subject to the provisions of the Act and these Articles, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to have this nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares.

62. A person entitled to a share by transmission shall, subject to the power of the Board of Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for, any dividend or other moneys payable in respect of the share.

63. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

64. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of person(s) having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to record and attend to any such notice and give effect thereto if the Board shall so think fit.

65. Subject to the provisions of the Act and these Articles, the Board of Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in the case of a transfer of shares presented for registration.

COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS

66. Copies of Memorandum and Articles of Association of the Company and other documents referred to in section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of a sum of Re. 1 for each copy.

BORROWING POWERS

67. Subject to provision of section 58A, 292 and 293 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company provided however, where the monies, to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such monies without the consent of the Company in General Meeting.

68. The payment or re-payment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit and particularly by resolution passed at a meeting of the Board (and not by circular resolution) by the issue of Debentures or debenture-stock or other securities of the Company (both present and future) including its uncalled capital for the time being; and Debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same be issued.

69. Any Debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into share of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares and attending (but not voting) at General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in a General Meeting by Special Resolution.

70. The Board shall cause a proper Register to be kept in accordance with the provision of section 143 of the Act of all mortgages, Debentures and charges specially affecting the property of the Company; and shall cause the requirements of section 118, 125 and sections 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

71. The Company shall, if at any time it issues Debentures keep a Register and Index of Debenture-holder in accordance with section 152 and 157 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture holders resident in that State or Country.

REGISTRATION OF CHARGES

72. Where a charge of the nature referred to in section 125 of the Act is created by the Company, the Company shall, within 30 (Thirty) days after its creation, file the particulars of the charge along with the necessary documents with the Registrar of Companies in accordance with the provisions of section 125 of the Act. The Company shall also duly comply with the relevant provisions of the part V of the Act in connection with registration of the charges.

SHARE WARRANTS

73. The Company may issue share warrants subject to, and in accordance with the provision of section114 and 115 of the Act; and accordingly the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the persons registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the Shares, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

74. (1) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition of calling a meeting of the Company and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

(2) Not more than one person shall be recognised as depositor of the share warrant.

(3) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

75. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Member at a meeting of the Company or be entitled to receive any notice from the Company.

(2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant; and he shall be Member of the Company.

76. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

77. The Company in its General Meeting may convert any fully paid-up Shares into stock, and when any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which Shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into fully paid-up Shares of any denomination. Provided however that the Board may, from time to time, fix the minimum amount of stock transferable.

78. The holders of stock shall, according to the amount of stock held by them, have same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company, and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

GENERAL MEETINGS

79. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings. The Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of section 166 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the Office of the Company is situate as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall also have the right to attend any General Meeting. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Account, Auditor's Report (if not already incorporated in the audited Statements of Account), the proxy Register and the Register of Directors shareholdings which Register shall remain open and accessible during the continuance of the meeting.

80. A Member of the Company may participate in a General Meeting through the electronic mode, that is, by way of video conferencing facility. Provided however that in a General Meeting, where Members of the Company are allowed to participate through the electronic mode, the quorum as required under section 174 of the Act as well as the Chairman of the Meeting shall have to be physically present at the place of the meeting. Any Member participating in a General Meeting by way of the electronic mode shall not be counted for the purpose of determining the quorum for such Meeting. The Company shall inform the Members of the availability of such facility in the notice of the General Meeting. The Company shall make available such video conferencing facilities in at least five places in India, in such manner that top

five states or union territories based on maximum number of Members or at least 1,000 Members, which ever is more, is covered. Subject to section 192A of the Act and Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 voting by electronic mode for postal ballot is permitted.

81. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as on that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

82. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

83. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

84. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

85. Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in case of any other meeting, with the consent in writing of the Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any therein of every Director, and the Manager (if any). Where any such item of special business relates to or affects any other Company, the extent of share-holding interest in other Company of every Director, and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of that other Company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

86. The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate, any resolution passed at any such meeting.

87. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening such meeting.

88. Five members entitled to vote and present in person shall be quorum for a General Meeting.

89. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with section 187 of the Act.

90. If at the expiration of half an hour from the time appointed for holding a meeting of Company, a quorum could not be present, the meeting, if convened by or upon requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a

public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day, and at such other time and place in the city or town in which the Office of the Company is for the time being situate, as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

91. The Chairman (if any) of the Board shall be entitled to take the Chair at every General Meeting whether Annual or Extraordinary. If there be no such Chairman of the Board, or, if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair, then the Vice Chairman (if any) of the Board shall be entitled to take the Chair and if there be no such Vice Chairman or if he be not so present, the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall elect one of their Members to be the Chairman.

92. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.

93. The Chairman with the consent of the Members may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place.

94. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on declaration of the result of the show of hands) demanded by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid-up and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or has not been carried unanimously, or by a particular majority or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

95. In the case of an equality of votes, the Chairman shall both on show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as Member.

96. If a poll is demanded as provided in these Articles, the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

97. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting provided such a Member is available and willing to be appointed. The Chairman shall have power at anytime before the result of the poll is declared to remove a scrutinizer from office and fill vacancies in the office of the scrutinizer arising from such removal or from any other cause.

98. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.

99. The demand for a poll except on the question of the election of the chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

100. Notwithstanding anything contained in these Articles, the Company shall comply with the provisions of section 192 A of the Act, read with the Companies (Passing of the Resolution by Postal Ballot Rules), 2001, and any modifications or amendments made thereto from time to time, for the purpose of seeking approval of Members in respect of the subjects prescribed under such rules.

101. No Member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Members either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised any right of lien.

102. Without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of Shares forming part of the capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such Meeting and on a show of hands every Member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company save as provided in clause (b) of sub section (2) of section 87, of the Act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference Shares.

103. On a poll taken at a meeting of the Company a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not use all his votes or cast all his votes in same way.

104. A Member of unsound mind in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian in respect of any shares registered in his name and any such committee or guardian may on poll, vote by proxy. If any, Member is a minor, the vote in respect of his share or Shares shall be by his guardian or guardians, it more than one, to be selected in case of dispute by the Chairman of the meeting.

105. If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint holders be present at any meeting then one of the said persons so present whose name appears first on the Register shall alone be entitled to speak and to vote in respect of such Shares but the other joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for purpose of these Articles be deemed to be joint-holders thereof.

106. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual Member.

107. Any person entitled under Article 61 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were a registered holder of such Shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such Shares and give such indemnity (if any) as the Board may require or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

108. Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

109. An instrument of proxy may appoint a proxy for the purpose of a particular meeting specified in the instrument and any adjournment thereof.

110. A Member present by proxy shall be entitled to vote only on a poll.

111. The instrument appointing a proxy and the power of attorney or their authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Office not later

than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

112. Every instrument of proxy shall, as nearly as circumstances will admit, be in any of the forms set out in schedule IX of the Act. The Company will send proxy forms to shareholders and Debentures-holders in all cases, such proxy form being so worded that a shareholder or Debenture holder may vote either for or against each resolution.

113. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity or revocation or transfer shall have been received at the Office before the commencement of the meeting or adjourned meeting where the proxy is used.

114. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote will be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

115. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of poll shall be the sole judge of the validity of every vote tendered at such poll.

116. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meetings entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within such period as provided in sub-Article (1) or by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.

(5) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.

(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as, defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minutes shall be evidence of the proceedings recorded therein.

(8) The book containing the minutes of the proceedings of General meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less than two hours in each day as the Directors determine, to the inspection of any Member without charge.

DIRECTORS

117. The subscribers to the Memorandum will be the first Directors of the Company.

118. Until otherwise determined by a General Meeting of the Company and subject to the provisions of section 252 of the Act, the number of Directors (excluding any Debenture Directors and Alternate Directors) shall not be less than three or more than twelve. The Company in the General Meeting may, subject to provision of these Articles and section 259 of the Act, by Ordinary Resolution, increase or reduce the

number of its Directors. No body corporate, association or firm shall be appointed a Director and only an individual shall be so appointed. Further, not less than two-thirds of total number of Directors of the Company shall:

(a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and

(b) save as otherwise expressly provided in the Act or these presents be appointed by the Company in General Meeting.

As provided by section 274 of the Act, certain persons mentioned therein shall not be capable of being appointed Directors of the Company, unless the Central Government, by notification, removes the disqualification for some of the persons mentioned therein.

119. Whenever the Company/Directors enter into a contract with any Government, Central, State or Local, any bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more persons, who are acceptable to the Board, as Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors as may be agreed by the Company with the appointer.

120. If it is provided by the trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, then any person or persons shall have power to nominate a Director of the Company, then in case of any and every such issue of Debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification Shares.

121. At the request of the concerned Director the Board may appoint an Alternate Director to act for such a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under the Articles shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

122. Subject to the provisions of section 260 and 264 of the Act, the Board shall have power to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 118. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

123. Subject to the provisions of section 261, 264 and 284 (6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

124. The Directors shall not be required to hold any qualification Shares in the Company.

125. (1) Subject to the provisions of the Act, a Managing Director, who is in the whole-time employment of the Company, may be paid remuneration either by way of a monthly payment, fee for each meeting or participation in profits or by any of all these modes and/or any other mode not expressly prohibited by the Act.

(2) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either;

(i) by way of monthly, quarterly or annual payment; or

(ii) by way of commission if the Company by Special Resolution authorised such payment.

(3) The fee payable to the Directors for attending meetings of the Board or committee thereof shall, from time to time, be determined by the Board subject to such limit as may be prescribed in that behalf, from time to time, by the Central Government under or pursuant to the Act.

126. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meeting of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with the business of the Company.

127. The continuing Directors may act notwithstanding any vacancy in the Board but if, and so long as their number is reduced below the minimum number as per Article 118 hereof the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting but for no other purpose.

128. Subject to sections 274, 283 (2) and 314 of the Act, no person shall be appointed or continue as the director/ the office of a Director shall become vacant if:

(a) He/She is found to be of unsound mind by a Court of competent jurisdiction; or

(b) He/She applies to be adjudicated an insolvent; or

(c) He/She is adjudged an insolvent; or

(d) He/She fails to pay any call made on him in respect of Shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(e) He/She absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months whichever is longer, without leave of absence from the Board; or

(f) He/She becomes disqualified by an order of the Court under section 203 of the Act; or

(g) He/She is removed in pursuance of section 284 of the Act; or

(h) He/She (whether by himself or by any person for his benefit on his account) or any firm in which he/she is a partner or any private Company of which he/she is director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of section 295 of the Act; or

(i) He/She acts in contravention of section 299 of the Act; or

(j) He/She is convicted by a Court of an offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or

(k) Having been appointed a Director by virtue of his/her holding any office or other employment in the Company, he/her ceases to hold such office or other employment in the Company; or

(l) He/She resigns his office by a notice in writing addressed to the Company.

129. (1) A Director or his relative or firm in which such Director or relative is a partner, or any other partner in such firm or a private Company of which the Director is Member or director may enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in or Debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with section 297 of the Act.

(2) No sanction shall however, be necessary for:

(a) any purchase of goods and material from the Company, or the sale of goods and material; to the Company, by any such Director, relative, firm partner or private Company as aforesaid for cash at prevailing market prices.

(b) Any contracts between the Company on one side and any such director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private Company, as the case may be regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private Company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs.5,000/- in the aggregate in any year comprised in the period of the contract and the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which contract was entered into.

130. A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in section 299 (2) of the Act; provided that it shall not be necessary for a director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such Company.

131. A general notice given to the Board by the Director, to the effect that he is a director or a member of a specified body corporate or is a Member of a specified firm and is to be regarded as concerned or interested in any contract or arrangements so made which may, after the date of the notice, be entered into by the Company with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be effective unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

132. No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing contained herein shall apply to:-

(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company, or

(b) any contract or arrangement entered into or to be entered into with a public company or private company which is subsidiary of a public company in which the interest of the Director consists solely

(i) in his being:-

(a) a director of such company, and

(b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by such company.

(ii) in his being a member holding not more than 2% of its paid up share capital.

133. The Company shall keep a register in accordance with section 301 (1) of the Act and shall within the time specified in section 301 (2) enter therein such of the particulars as may be relevant having regard to the application thereto of section 297 or section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 131. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken there from and copies thereof may be required by any Member of the Company to the same extent, in the same manner and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of section 163 of the Act shall apply accordingly.

134. A Director may be or become a director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as director or share-holder of such Company except in so far as section 309(6) or section 314 of the Act may be applicable.

135. At every Annual General Meeting of the Company, one third of such of the Directors for time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The non-retiring Directors, Ex-Officio Directors/Nominee Directors and Debenture Directors, if any shall not be subject to retirement under this clause and shall not be taken into account in determining the retirement by rotation of the number of Directors to retire.

136. Subject to section 256(2) of the Act, the Directors to retire by rotation under Article 135 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

137. A retiring Director shall be eligible for re-election.

138. Subject to section 259 and 261 of the Act the Company at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

139. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjournment meeting unless.

(i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing, addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provision of the Act; or

(v) the proviso to sub-section (2) of section 263 of the Act is applicable to the case.

140. Subject to section 259 of the Act the Company may by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provisions of section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

141. (1) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some Members intending to propose him as a Director, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office. Such person or the Member as the case may be, shall deposit an amount of Five Hundred Rupees which shall be refunded to him or, as the case may be, to such Member, if the person succeeds in getting elected as a Director.

(2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under section 257 of the Act proposing his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.

(3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or as Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under section 262 of the Act (appointed as a Director or reappointed as a Additional or alternate Director, immediately on the expiry of his terms of office) shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such director.

142. (a) The Company shall keep at its Office a Register containing the particulars of its Director, Managers, Secretaries and other persons as mentioned in section 303 of the Act, and shall otherwise comply with the provisions of the said section in all respects.

(b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by section 307 of the Act, and shall otherwise duly comply with the provisions of the said section in all respects.

143. (a) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of section 303 of the Act), Managing Director, Manager, or Secretary of the Company shall within twenty days of his appointment to any of the above office in any other body corporate, disclose in the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of section 303 of the Act.

(b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that is brought up and read at the first meeting of the Board next after it is given.

144. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any one or more of its Directors as the Managing Director or Managing Directors or Whole

Time Director or Directors (including Technical Director) of the Company for a term not exceeding five years at a time and may from time to time (subject to the provisions of any contract between him or them and the Company) remove him or them from office by following the statutory procedures and appoint another or others in his or their place or places.

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145. A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with Article 135. If he ceases to hold the office of Director he shall ipso facto, immediately cease to be a Managing Director.

PROCEEDING OF THE BOARD OF DIRECTORS

146. The Directors may meet together as a Board for the conduct of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

147. The Directors may participate in a meeting of the Board or any Committee thereof, through electronic mode, that is, by way of video conferencing. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Provided that, every Director must personally attend at least one meeting of the Board or any Committee thereof, in a financial year. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

148. Notice of every meeting of the Board shall be given either in writing or through electronic medium i.e. e-mail to every Director, at his/her address details maintained with the Company.

149. Subject to section 287 of the Act the quorum of a meeting of the Board shall be one-third of its total strength (excluding Directors, if any whose places may be vacant at the time and any fraction contained in that one-third being rounded off as next number one), or two Directors whichever is higher; provided that where at any time the number of interested Director exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, who are not interested, present at the meeting being not less than two shall be the quorum during such time.

150. If a meeting of the Board could not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman, not being later than seven days from the Date originally fixed for the meeting and if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

151. The Secretary shall, as and when directed by the Director to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

152. The Directors may, from time to time, elect from among their number, a Chairman of the Board.

153. Questions arising at any meeting of the Board of Directors or a committee or sub-committee thereof, shall be decided by majority of votes and in the case of an equality of votes, the Chairman shall have a second or a casting vote.

154. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

155. Subject to the restriction contained in section 292 of the Act, and any agreements with any stock exchanges where the securities of the Company are listed the Board may delegate any of their power to Committees of the Board consisting of such Directors, as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to person or purposes, but every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and fulfillment of the purposes of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.

156. The meeting and proceeding of any such Committee of the Board consisting of two or more Members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

157. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or members of the Committee, and has been approved by such of the Directors or members of the Committee or by a majority of them as are entitled to vote in the resolution.

158. All acts done by any meeting of the Board or by Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be valid as if every such person had been duly appointed, and was qualified to be Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

159. (1) The Company shall cause minutes of all proceeding of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.

(2) Each page of every book shall be initialed or signed and the last page of the record of proceeding of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) The minutes shall also contain:-

(a) The names of the Directors present at the meeting and

(b) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring with the resolution.

(7) Nothing contained in sub-Articles (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting.

(a) is, or could reasonably be regarded as defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

The Chairman shall be the front judge in case of difference in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-Article, without prejudice to the recourse available under the law.

(8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

160. The Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and to do except those powers which are expressly directed or required to be done by the company in a general meeting, by these Articles, or by the Act or any other legislation or rules, provided that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other legislation or in the Memorandum or Articles of the Company or any other applicable regulations; provided that the Board shall not except with the consent of the Company in General Meeting:

(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

(b) remit, or give time for the repayment of, any debt due by a Director;

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertakings as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after considerable time;

(d) borrow moneys where the monies to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes;

Provided further that the powers specified in section 292 of the Act shall subject to these Articles be exercised only at meeting of the Board unless the same be delegated to the extent therein stated;

or

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year; exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

161. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have following powers, that is to say, power –

(1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(2) To pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, Debentures, or Debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, Debentures or Debenture-stock of the Company.

(3) To pay such brokerage as heretofore been lawful for the Company to pay.

(4) Subject to section 292, 293, 297 and 360 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisitions to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(5) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be

agreed upon; and any such bonds, Debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(6) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

(7) To accept from any Member, as far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.

(8) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and provide for remuneration of such trustee or trustees.

(9) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow the time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon.

(10) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(11) To make and give receipts, releases, and other discharges or monies payable to the Company and for the claims and demands of the Company.

(12) Subject to the provisions of sections 292, 293(1), 295, 369and 372A of the Act to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being Shares of this Company), or without security, and in such manner as they may think fit, and from time to time to vary or realise such investments, save as provided in section 49 of the Act, all investments shall be made and held in the Company’s own name.

(13) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company’s property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.

(14) To determine from time to time who shall be entitled to sign, on the Company’s behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

(15) To distribute by way of bonus amongst the staff of the Company a share or Shares in the profits of the Company, and to give to any officer or other person employed by the Company, a commission on the profits of any particular business or transaction; and to charge such bonus or commission as a part of the working expenses of the Company.

(16) To provide for the welfare of Directors or ex-Directors or employees and ex-employees of the Company and their wives, widows and families or the dependents of such persons, by building or contributing to the building of the houses, dwelling or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and subject to the provisions of section 293 (1) (e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions, or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.

(17) Before recommending any dividend, subject to the provisions of section 205 of the Act, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any special Fund to meet contingencies or to repay Debentures or debenture-stocks, or for special dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes including the purposes referred to in the preceding clause, as the Board may in its absolute discretion, thinks conducive to the interest of the Company, and subject to section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with or vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in its absolute discretion, thinks conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds including the Depreciation Fund in the business of the Company or in the purchase or repayment of Debentures, debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

(18) To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents, and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments, remuneration and to require security in such instances and in such amounts, as they may think fit, and also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

(19) To comply with the requirements of any local law which in their opinion shall in the interest of the Company be necessary or expedient to comply, with.

(20) From time to time and at any time to establish any Local Body for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be Members of such Local Bodies, and to fix their remuneration.

(21) Subject to section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such Local Body, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed and may annul or vary any such delegation

(22) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the members of any Local Body, established as aforesaid or in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid

to sub-delegates all or any of the powers, authorities and discretions for the time being vested in them.

(23) Subject to section 294, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(24) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

MANAGEMENT

162. The Company shall appoint or employ at the same time any one of the following categories of managerial personnel namely:

(a) Managing Director

(b) Manager

THE SECRETARY

163. Subject to the section 383A of the Act, the Board may from time to time appoint, and at its discretion, remove any individual, (hereinafter called "the Secretary") to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint any person(s) (who need not be Secretary) to keep the registers required to be kept by the Company. Subject to the provisions of the Act, a Director may be appointed as a secretary.

THE SEAL

164. The Company shall have a Common Seal and the Directors shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for the time being. The Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of atleast one Director or the Manager or the Secretary or such other person as the Board/Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence;

Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificate) Rules, 1960 or any statutory modification thereof for the time being in force

DIVIDENDS

165. The profit of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up or credited as paid-up on the Shares held by them respectively.

166. The Company in General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividend shall exceed the amount recommended by the Board. However, the Company in General Meeting may declare a smaller dividend.

167. No dividend shall be declared or paid by the Company for any financial year otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of section 205 of the Act or out of the profits of the Company for previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both; provided that:

(a) If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of profits of the financial year or out of the profits of any other previous financial year or years.

(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid of against the profit of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of section 205 of the Act or against both.

168. The Board may, from time to time, pay to the Members, such interim dividend, as in their judgment the position of the Company justifies.

169. Where capital is paid in advance of calls, such capital may carry interest, but shall not in respect thereof confer a right to dividend or participate in profits.

170. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

171. The Board may retain the dividend payable upon Shares in respect of which any person is, under Article 61 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such Shares, or shall duly transfer the same.

172. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other monies payable in respect of such Shares.

173. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or Shares, whilst any money may be due or owing from him to the Company in respect of such share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

174. A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

175. Unless otherwise directed any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant or bank order sent through the post to registered address of the Member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or warrant or bank orders shall be made payable to the order of the person to whom it is sent. The Company shall not be liable for non-receipt, lost in transit, or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or the fraudulent recovery of the dividend by any other means.

176. No unpaid dividend shall bear interest as against the Company.

177. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Member, be set off against the calls.

178. (a) The Company in General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of Company and available dividend (or representing premium received on the issue of Shares and standing to the credit of the Security Premium Account) be capitalised and distributed amongst such of the shareholders as would be

entitled to receive the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised amount be applied on behalf of such Members in paying up in full either at par or at such premium as the resolution may provide, any unissued Shares or Debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares or Debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account, may, for the purposes of this Article, only be applied in the paying of any unissued Shares, to be issued to Members of the Company as fully paid bonus Shares.

(b) A General Meeting may resolve that any surplus monies, arising from the realisation of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income tax be distributed among the Members on the footing that they receive the same as capital.

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to Members upon the footing of the value so fixed or that fraction of less value than Rs.10 may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Act. and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

179. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend of PC Jeweller Limited Account”.

180. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 205C of the Act.

181. No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by law.

ACCOUNTS

182. The Company shall keep at the Office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with section 209 of the Act with respect to:-

(a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company.

Where the Board decides to keep all or any of the Book of Account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office or at any other place as decided by the Board from time to time and proper summarized returns, made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its Office or other place in India at which the Company’s Books of

Account are kept as aforesaid. The Books of Account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

183. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspection of any account or books or documents of the Company except as conferred by law or authorised by the Board.

184. The Directors shall from time to time, in accordance with section 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these sections.

185. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditor’s Report and every other document required by law to be annexed or attached to the Balance Sheet), shall as provided by section 219 of the Act, at least twenty one days before the meeting at which the same are to be laid before the Members, be sent to the Members of the Company; to holders of Debentures issued by the Company (not being Debentures which ex-facie are payable to the bearer thereof), to trustees for the holders of such Debentures and to all persons entitled to receive notice of General Meeting of the Company.

AUDIT

186. (a) The first Auditor of the Company shall be appointed by the Board of Directors within one month from the date of incorporation of the Company and the Auditors so appointed shall hold Office till the conclusion of the first Annual General Meeting.

(b) At each Annual General Meeting the Company shall appoint an Auditor to hold office from the conclusion of that Meeting till the conclusion of the next Annual General Meeting.

(c) The remuneration of the Auditors shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.

(d) The Board of Directors may fill any casual vacancy in the office of the Auditors and while any such vacancy continues the remaining Auditor or Auditors, if any may act, but where such vacancy is caused by the resignation of the Auditors the vacancy shall be filled up by the Company in General Meeting. Any auditor appointed in a casual vacancy shall hold office until the conclusion of the next annual General Meeting.

DOCUMENTS AND NOTICE

187. Subject to Section 53 of the Act and any other directions or regulations for the time being in force, a notice or documents may be given or served by the Company to any Member either personally or electronically i.e. through e-mail (provided the Company has obtained the e-mail address of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company) or by sending it by post to him at his registered address or, if he has no registered address at the address, if any, within India supplied by him to the Company for the purpose of giving notices to him.

188. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that, where a Member has intimated to the Company in advance that documents or notices should be sent to him by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member and such service shall be deemed to have been effected in the case of notice of a meeting at the expiration of forty-eight hours

after the letter containing the document or notice is posted and in any other case, at the time, at which the letter would be delivered in the ordinary course of post.

189. When notice is given to its Members by advertisement it will advertise such notice in at least one leading daily newspaper.

190. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address and has not supplied to the Company an address for the serving of documents or the sending of notices to him.

191. A document or notice may be served or given by the Company on the joint- holder of Shares by serving it on the joint-holder named first in the Register of Members in respect of the share.

192. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through post in prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the insolvent or by any like description at the address (if any) supplied for the purpose by the persons claiming to be so entitled, or (until any such address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

193. Documents or notices of every General Meeting shall be served or given in same manner herein-before authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of Member, and (c) the Auditor or Auditors for the time being of the Company.

194. Every person who, by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered in the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such Shares.

195. Any documents or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose, and the signature thereto may be written, printed or lithographed.

196. All documents or notices to be served or given by Members on or to the Company or any officer thereof shall be served or given by sending it to the Company or officer by registered post, or by leaving it at the Office.

INDEMNITY

197. Subject to section 201 of the Act, every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under section 633 of Act, in which relief is granted to him by the Court.

WINDING UP

198. (a) If the Company shall be wound up, the liquidator, may with the sanction of a Special Resolution of the Company and any other sanction required by the Act, but subject to the rights attached to any preference share capital, divide amongst the Members, in specie or otherwise, the whole of or any part of the assets of the Company, whether they shall consist of property of the same kind or not,

(b) For the purpose aforesaid, the liquidator may set such, value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator shall think fit but so that no

Member shall be compelled to accept any Shares or such other securities, whereon there is any liability.

SECRECY

199. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of Committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except as required by the Board or by law and except so far as may be necessary in order to comply with any of the provisions in these Articles.

(b) No Member or other person (not being a Director) shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, would be inexpedient in the interest of the Company to disclose.

GENERAL APPROVAL

200. Wherever in the Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by the Articles, then and in that case this Article hereto authorises and empowers the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act, without any specific regulation on that behalf being provided herein.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office and our Corporate Office from 10.00 am to 4.00 p.m. on Working Days during the Bid/Issue Period.

Material Contracts to the Issue

1. Engagement Letter dated May 2, 2011, for appointment of SBI Capital Markets Limited and Kotak Mahindra Capital Company Limited as BRLMs, and dated June 8, 2011 for the appointment of IDBI Capital Market Services Limited as the CBRLM.
2. Issue Agreement dated September 28, 2011 between our Company, the BRLMs and the CBRLM.
3. Agreement dated September 27, 2011 executed between our Company and the Registrar to the Issue.
4. Escrow Agreement dated [●] among our Company, the BRLMs, the CBRLM, the Escrow Collection Banks and the Registrar to the Issue.
5. Syndicate Agreement dated [●] between our Company and the members of the Syndicate.
6. Underwriting Agreement dated [●] among our Company and the Underwriters.

Material Documents

1. Our Memorandum and Articles of Association, as amended until date.
2. Our certificates of incorporation dated April 13, 2005, October 16, 2007, December 9, 2009 and August 2, 2011.
3. Board resolutions of our Company, dated August 19, 2011 and August 28, 2012, and shareholders' resolutions of our Company dated September 16, 2011 and September 25, 2012, authorizing the Issue and other related matters.
4. Board resolutions dated September 28, 2011 and November 26, 2012 approving the Draft Red Herring Prospectus and the Red Herring Prospectus, respectively.
5. RBI letter (FE.CO.FID/23413/10.78.000(38)/2011-12) dated April 4, 2012 clarifying that FIIs participating in the Issue may be guided by Schedule 2 of the FEMA 20 and NRIs participating on repatriation or non-repatriation basis in the Issue may be guided by Schedules 3 and 4 of the FEMA 20, respectively.
6. Board resolution dated June 3, 2011 setting out the terms and conditions of appointment of our Managing Director, Mr. Balram Garg.
7. Report of the Auditors dated November 3, 2012, prepared as per Indian GAAP and mentioned in the "***Financial Statements***" on page 163.
8. Copies of annual reports of our Company for the last five fiscal years.
9. PC Jeweller Limited Employee Stock Option Plan 2011.
10. The statement of tax benefit report dated November 3, 2012, prepared by the Auditors as mentioned in "***Statement of Tax Benefits***" on page 91.
11. Consent of the Auditors, as experts, for inclusion of their report on accounts in the form and context in which they appear in this Red Herring Prospectus.
12. Consents of Bankers to our Company, BRLMs, the CBRLM, lenders, Syndicate Members, Registrar to the Issue, Bankers to the Issue, legal counsels, IPO Grading Agencies, Monitoring Agency, Directors of our Company, Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
13. In-principle listing approvals dated November 4, 2011 and November 18, 2011 from the BSE and the NSE, respectively.
14. Tripartite Agreement dated December 9, 2011 among our Company, NSDL and the Registrar to the Issue.
15. Tripartite Agreement dated November 24, 2011 among our Company, CDSL and the Registrar to the Issue.
16. Due diligence certificate dated September 28, 2011 to the SEBI from the BRLMs and the CBRLM.
17. IPO Grading Report by Credit Analysis and Research Limited dated October 19, 2012.
18. IPO Grading Report by CRISIL Limited dated November 6, 2012.
19. Management agent agreement dated April 1, 2012 between our Company and Moksh Jewellers and tripartite agreement dated August 1, 2012 between our Company, Moksh Jewellers and Mr. Rajinder Singh.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules or regulations issued thereunder, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

(MR. PADAM CHAND GUPTA)	**(MR. BALRAM GARG)**
(Chairman)	**(Managing Director)**
(MR. KRISHAN KUMAR KHURANA)	**(MR. MANOHAR LAL SINGLA)**
(Independent Director)	**(Independent Director)**

AND

MR. SANJEEV BHATIA

President (Finance)

Place: New Delhi

Date:

ANNEXURE I

Annexure-I

Grading Rationale

PC Jeweller Ltd (PCJL)

Grading Assigned

Particulars	Number of equity shares	Grading[1]	Remarks
IPO Grade	4,51,33,500	CARE IPO Grade 3	Assigned

Grading Rationale

The grading reflects the experienced promoter and management team, long track record of operations and established brand image of the company. The grading also takes into account the healthy financial risk profile as reflected by consistent growth in operating income and high profitability, diversified product profile and significant in-house manufacturing capabilities. The grading, however, is constrained by the working capital-intensive nature of operations, regional concentration of revenue and competition from the players in the organized and the unorganized sector.

Background

PCJL, incorporated in year 2005 by Mr Padam Chand Gupta and Mr Balram Garg, is engaged in the business of manufacturing and selling of gold and diamond-studded jewellery to wholesale/retail customers in domestic and export markets. PCJL sells its jewellery under the brand "PC Jeweller". As on September 30, 2012, PCJL has 30 showrooms located in North and Central India out of which six showrooms have been added in H1FY13.

The Promoters and Management team

Mr Padam Chand Gupta and Mr Balram Garg, Promoter Directors of PCJL, have an experience of more than two decades in the jewellery business. Before joining PCJL, they had worked for their family-owned jewellery business. Mr Padam Chand Gupta takes care of the strategic ventures of PCJL, whereas Mr Balram Garg is actively involved in the day-to-day operations of the company. With experience and strong relationship with the customers and suppliers, the promoters have managed to increase the total number of showrooms under PCJL brand from three showrooms in 2007 to 30 showrooms as on September 30, 2012.

[1] *Complete definition of the grading assigned is available at www.careratings.com and in other CARE Publications*

The other directors include Mr Manohar Lal Singla and Mr Krishan Kumar Khurana (Independent Directors). They have an experience of more than 25 years in education and legal services industry, respectively. Furthermore, the management team includes professionals with extensive experience in the gems and jewellery industry as well as in finance and marketing.

Corporate Governance

The board of PCJL comprises four Directors including two Non-Executive Independent Directors. In compliance with the requirements of clause 49 of the listing agreement, the company had constituted committees such as Audit committee, Remuneration & Compensation committee each headed by an independent director and Shareholders & Investor Grievance committee headed by a non-executive director.

Litigations pending as on September 30, 2012

As per the offer document, there are some litigations against the company and the promoters involving civil laws and tax laws. However, there have been no major developments since and the amount involved in these litigations is either not ascertainable or not material.

Operations

PCJL commenced its operations in year 2005, with one showroom located at Karol Bagh (Delhi). Till 2007, the company was mainly engaged in the wholesale and retail sales of gold and diamond-studded jewellery in domestic market after which the company started its export operations with a manufacturing unit located at Noida Special Economic Zone (NSEZ). The company exports gold and diamond jewellery on a wholesale basis to international distributors in Dubai and Hong Kong. In FY12 (refers to the period April 01 to March 31), export sales contributed approximately 33% to the total sales (Rs.1, 002 crore export sales and Rs.2, 039 crore domestic sales in FY12). PCJL is a regional player with its presence restricted in North and Central India.

Over the last three fiscal years, with increasing scale of operations, the company started a new manufacturing unit at Selaqui, Dehradun, Uttarakhand, and also 20 new showrooms were opened in North and Central India. Furthermore, in November 2011, PCJL has commenced manufacturing operations at an additional 34,000 sq ft jewellery manufacturing facility at Sector 63, Noida,Uttar Pradesh. Therefore, the strong manufacturing abilities enable the company to save on cost and improve profitability.

PCJL procures gold for its manufacturing operations under the gold loan schemes from canalizing agencies and international bullion suppliers. Under such arrangements, the price of gold purchased is not fixed on procurement, but rather within the applicable credit period, on the basis of prevailing gold rates on sale to customers. The same enables the company to hedge the risk associated with gold price fluctuations between the time of procuring the raw material and selling the finished product to the customers.

PCJL's product profile includes traditional, contemporary and combination designs across jewellery lines, usage, price points. The company also makes customized jewellery for weddings. The company's wide range of product offerings caters to diverse customer segments, from the value market to high-end customized jewellery. In FY12, gold jewellery contributed 66% to the revenue from operations of PCJL followed by diamond jewellery (34%). The contribution from diamond jewellery segment to the revenue from operations has seen a significant increase from 5.9% in FY09 to 34% in FY12. Over the years with diverse product range and the ability to provide customized designs to its customers along with strong marketing efforts, the company has been able to develop strong brand recognition and customer loyalty.

IPO Details

PCJL proposes to make public offer of 45,133,500 equity shares (comprising 44,775,000 shares to be issued to public and reservation of 358,500 shares for subscription by eligible employees). The face value of the share is Rs.10 per share. The size of the issue is to be determined upon finalization of the issue price. The IPO proceeds shall be used to finance the establishment of 20 new showrooms in 20 cities in different parts of the country (estimated cost of establishment including capital expenditure and cost of finished products to be stocked in the showrooms amounts to Rs.570 crore) and the balance proceeds (if any) are proposed to be utilized for general corporate purposes like renovation of existing offices, strategic initiatives, brand building exercises and strengthening of the marketing network, etc.

Financials

PCJL's financial risk profile is characterized by the growth in revenue from operations, consistent improvement/increase in profitability level including PBIDT margin and PAT margin, comfortable ROCE, RONW, gearing and interest coverage ratios.

The revenue from operations of PCJL had grown at a CAGR of 75% during FY10-FY12. The year-on-year increase in the revenue from operations was mainly due to 20 new showrooms added during FY10-FY12 in North and Central India. Furthermore, improved realizations from sale of gold and buoyant demand in the domestic retail markets had also helped PCJL to register robust growth in revenue. PCJL has been able to maintain its PBIDT margin close to 10% and the same has further improved in FY12, mainly because of increasing share of higher margin diamond jewellery sales and its established brand in the wedding jewellery segment.

The overall gearing as on March 31, 2012, though has deteriorated marginally owing to higher utilisation of working capital bank borrowings, continues to remain comfortable. The higher utilisation is on account of increased scale of operations due to addition of new showrooms. The increase in the share capital in FY12 is on account of the issue of bonus shares (issue of 89,311,000 bonus shares of Rs.10 each).

PCJL increased its authorized share capital from Rs.30 crore in FY08 to Rs.50 crore in FY10 divided into 500 lakh shares of Rs.10 each. As on September 30, 2012, the authorized share capital was Rs.200 crore divided into 2,000 lakh shares of Rs.10 each.

Since the company is in retail business it has to maintain high levels of inventory, both in form of raw gold and finished goods stock at each of its outlets. Furthermore, the company has high receivable days on account of credit period of 2-3 months provided to its export customers. Therefore, the high receivable and inventory days lead to stretched working capital cycle resulting in high average maximum working capital utilization (the same stood above 90% in the last 12 months ending September 2012).

Industry

The Indian Gems and Jewellery (G&J) industry is one of the prominent industries in the country and remains primarily export driven. India is the world's largest G&J processing centre and contributed approximately 14.1% to the country's total exports during FY12, while employing about 3.5 million low-cost but highly skilled workers. In FY12, total exports by the G&J industry amounted to US$42.8 billion (Rs.2, 048.24 billion), which reflects a marginal drop of 0.36% y-o-y in US$ terms but an increase of 4.6% in rupee terms.

The growth in the domestic G&J sector in India is expected to be driven mainly by higher disposable income, rising young population, higher number of working women and conscious marketing efforts of companies with greater focus on branding and organized retail. However,

4

record high gold prices and high inflation may act as demand dampeners for G&J products - being a discretionary product. Furthermore, because of the highly fragmented nature of jewellery industry in India along with the share of unorganized segment being close to 95%, margins are expected to remain at modest levels.

Going forward, larger players with strong sourcing relationships (e.g. DTC sight holders or those having direct arrangement with mining companies) for raw materials, those with geographically diversified clientele, with higher value addition and a more conservative forex/liquidity management policy, are likely to exhibit more stability in the long run.

Source: Care Research

Prospects

Despite increasing competition prevalent in the industry, the prospects of PCJL seem positive on account of its established brand image in the retail jewellery segment and increasing demand of G&J in branded and organized segment.

Financial Performance *

(Rs. Crore)

For the period ended / as at month ended	*2010*	*2011*	*2012*
	(12m, A)	*(12m, A)*	*(12m, A)*
Working Results			
Revenue from operations	985	1977	3042
Total Income**	998	1997	3060
PBIDT	116	213	350
Interest and Finance Charges	37	46	78
Depreciation	2	3	7
Tax	10	19	34
PAT (After Deferred Tax)	67	145	231
Gross Cash Accruals	68	146	218
Financial Position			
Equity Share Capital	40	45	134
Tangible net worth	179	325	555
Total Capital Employed	263	465	1130
Ratios			
Growth (%)			
Growth in Total Income (%)	56.66	100.07	53.27
Growth in PAT [after D.Tax] (%)	114.27	118.51	59.15
Profitability (%)			
PBIDT / Total Income (%)	11.58	10.67	11.44
PAT / Total Income (%)	6.66	7.28	7.56
ROCE (%)	40.63	57.75	43.02

For the period ended / as at month ended	2010	2011	2012
	(12m, A)	*(12m, A)*	*(12m, A)*
RONW (%)	50.08	57.61	52.24
EPS	20.57	34.29	17.26
Solvency (times)			
Long-term Debt Equity ratio	0.04	0.02	0.00
Overall Gearing Ratio	0.46	0.43	1.04
Interest Coverage	3.22	4.79	5.71
Total Debt / Gross Cash Accruals	1.22	0.96	2.64
Liquidity			
Current Ratio	1.35	1.39	1.35
Quick Ratio	0.62	0.66	0.55
Turnover			
Average Collection Period (Days)	76	63	67
Average Creditors (Days)	98	102	103
Average Inventory (Days)	111	92	122
Operating cycle (Days)	89	53	86

* *Based on Audited Financials*

***Includes revenue from operations and other income*

PC Jeweller Ltd

One-time assessment

CRISIL IPO Grade 3/5 (Average)

November 6, 2012

Grading summary

CRISIL has assigned a CRISIL IPO grade of '3/5' (pronounced "three on five") to the proposed IPO of PC Jeweller Ltd (PCJ). This grade indicates that the fundamentals of the IPO are average relative to the other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals. The grade is not a recommendation to buy, sell or hold the graded instrument, its future market price or suitability for a particular investor.

PCJ is an established jewellery retailer in North India. The assigned grade reflects its seven-year-old presence and the ensuing strong reputation in an industry quintessentially benefited by the country's obsession for gold. Strong brand recall, successful branch expansion (from one to 30 showrooms in the past seven years) and stellar increase in gold prices have added shine to PCJ's top line, which has grown at a three-year CAGR of 69%. The grade factors in the resilience of demand for gold jewellery in India despite high gold prices; we expect demand to revive in the long term as gold prices stabilise. Compared with other gold jewellery players, PCJ's revenue mix leans towards higher-margin diamond jewellery, which is rewarding in the wake of increasing acceptance of diamond jewellery in India. The grade has also taken into account the expected increase in organised retail penetration in jewellery vis-à-vis the single-store format, which will benefit established players such as PCJ.

However, competition in the jewellery retailing market - likely to intensify following planned expansions by regional/traditional players - poses a significant risk. Further, PCJ's stores are concentrated in North India (four showrooms in New Delhi accounted for 44% of FY12 revenue from operations). PCJ's plans to add 20 showrooms by FY14 across India should mitigate the risk of regional concentration but the opening of new showrooms in a competitive market is likely to put pressure on profitability due to higher marketing expenses and working capital requirement. Also the compensation structure for key management personnel appears low which can result in attrition.

PCJ's revenue from operation increased at a three-year CAGR of 69% between FY09 and FY12 to Rs 30.4 bn, largely driven by branch additions and steady increase in gold prices. EBITDA margin remained steady at 9-10% over FY09-FY12 due to hedging of gold and stable overhead costs. PAT increased sevenfold over the past three years to Rs 2,313 mn in FY12. The company registered robust RoE of 55% over FY09-FY12.

About the company

The company was established in 2005 after a split between the two partners. PCJ (Delhi-based) is promoted by brothers Mr Padam Chand Gupta and Mr Balram Garg. The company retails gold jewellery (66% of FY12 revenue from operations) and diamond-studded jewellery (32%) under the "*PC Jeweller*" brand. It has 30 showrooms across 23 cities in North and Central India totaling ~164,572 sq ft as on September 30, 2012. The domestic market accounted for 67% of FY12 revenue from operations and exports the rest.

The company's manufacturing units for gold and diamond-studded jewellery are located in North India. It intends to add 20 new showrooms by FY14 using the proceeds from the planned IPO.

History and key milestones

Year	Key milestones
2005	Incorporation Opened showroom in Karol Bagh, Delhi
2007	Opened two showrooms in Noida and Panchkula Commenced exports from manufacturing unit at the Noida SEZ
2008	Opened two showrooms in Faridabad and Dehradun
2009	Commencement of operations at the manufacturing unit in Selaqui, Dehradun Opened two showrooms in Pitampura and Chandigarh
2010	Commencement of operations at the second manufacturing unit in Selaqui, Dehradun Opened nine showrooms in Preet Vihar (Delhi), Ghaziabad, Gurgaon, Lucknow, Indore, Bhopal, Raipur, Jodhpur and Bhilwara
2011	Conversion from a private limited company to a public limited company Commencement of operations from the second export unit in the Noida SEZ Opened eight showrooms in Ludhiana, Haridwar, Bilaspur, Pali, South Extension, Beawar, Ajmer and Amritsar
2012	Opened six showrooms in the first nine months of 2012

Source: DRHP, Company

Issue details

Shares offered to public	45,133,500
As per cent of post issue equity	25.2%
Object of the issue	• Finance the establishment of new showrooms • General corporate purposes
Amount proposed to be raised	Not available at the time of grading
Price band	Not available at the time of grading
Lead managers	SBI Capital Markets Ltd, Kotak Mahindra Capital Company Ltd, IDBI Capital Market Services Ltd

Source: DRHP

Use of IPO proceeds

Sr.No	Expenditure item	Estimated cost (Rs mn)
1a.	Capex for the establishment of new showrooms	599
1b.	Estimated cost of finished products	5,100
1c.	General corporate purposes and issue expenses	N.A
	Total	5,699

Note: Rs 599 mn towards capital expenditure of 20 showrooms with total area of 133,000 sq ft translating into capex of Rs 4,500 per sq ft

Source: DRHP

Shareholding pre- and post-issue

Category of equity shareholders	Pre-issue		Post-issue	
	No. of equity shares	%	No. of equity shares	%
Promoter & promoter group	**125,404,500**	**93.6**	**125,404,500**	**70.0**
Padam Chand Gupta	50,371,800	37.6	50,371,800	28.1
Balram Garg	66,002,700	49.3	66,002,700	36.9
Promoter group	9,030,000	6.7	9,030,000	5.0
Others	8,562,000	6.4	8,562,000	4.8
Public			**45,133,500**	**25.2**
Total	**133,966,500**	**100**	**179,100,000**	**100**

Source: DRHP

Detailed Grading Rationale

A. Business Prospects

Gold demand weakens in H12012 but long-term story intact

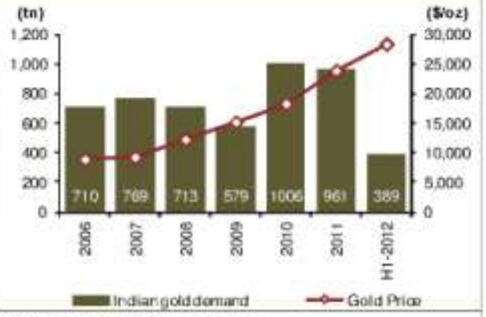
Demand for gold jewellery (65% of India's overall gold demand) has historically been resilient despite a significant increase in gold prices. In 2010 and 2011, when gold prices consistently scaled new heights, demand for gold (jewellery+ investment) in India continued to be high at 1,006 tonnes and 961 tonnes, respectively. India's demand for gold touched an all-time high in 2010 but declined by just 4% in 2011 due to a 31% rise in the rupee price of gold. In H12012, local demand for gold has weakened with a 20% rise in prices. Further, higher gold imports prompted the government to hike the import duty on gold to 4% of the value in March 2012 to cap the widening current account deficit. Hike in import duty, rise in international gold prices and a weak rupee resulted in 33% y-o-y decline in gold imports to 389 tonnes during H12012, according to the World Gold Council (WGC) report; however, in value term, it declined by only 10%. Although short-term demand is expected to be subdued on account of a sharp rise in gold prices, demand should revive in the medium to long term as gold prices stabilise.

Jewellery dominates gold demand

Gold demand in India (Tonnes)	2009	2010	2011	H1-2012
Jewellery	442	657	595	277
Retail investment	136	349	366	112
Total	579	1006	961	389

Source: WGC

Demand for gold weakened in H12012



Source: WGC, CRISIL Research

Gold is still considered a good investment

In India, gold is perceived as:

- An easily encashable asset or investment
- A financial security and an indicator of social status
- An asset passed on from one generation to another

These fundamental factors have kept Indians' demand for gold relatively resilient over the past few years despite a steady rise in prices.

Branded jewellery – greater acceptance…

Jewellery sales remain the stronghold of traditional jewellers and local outlets. However, the share of organised players (defined as retailers with more than one store in similar formats) is expected to increase from the current 8-10%. Multi-store players including regional/traditional players such as PCJ, Thangamayil Jewellery, Tribhovandas Bhimji Zaveri, Joyalukkas, GRT Jewellers, Swarovski, etc. as well as pan India jewellery players such as Tanishq and the diamond-focused Gitanjali, who sell jewellery under various brand names, are set to gain. Extensive marketing promotion by major players, rising awareness about hallmarked jewellery, contemporary designs and aspirational value of brands are collectively prompting a preference for organised jewellers from traditional family jewellers.

… to benefit established players with rising organised retail penetration

Traditionally, the jewellery retailing space in India has been dominated by the family jeweller largely due to factors such as considering certain jewellers as trustworthy and auspicious. As a result, organised retail penetration (ORP) in domestic jewellery retailing is estimated to be a mere 8-10%. However, this is expected to increase on the back of:

- Higher disposable income
- Increasing customer awareness about hallmarking (quality assurance). The recent approval on mandatory hallmarking will also accelerate the pace
- Assured buy-back scheme by organised players (since jewellery is seen as an investment)
- Aggressive branding by organised players
- Retail distribution allowing customers across locations to enjoy similar experiences leading to greater convenience

Established players such as PCJ are well placed to benefit from this shift in consumer preference.

Players' profile	Unit	PCJ	TBZ	Thangamayil	Gitanjali	Titan (Tanishq)
Sales (FY12)	Rs mn	30,419	13,854	11,136	77,554	70,450
Sales 3-yr CAGR	%	69%	27%	66%	42%	32%
No. of stores (POS) in FY12	no	24	15	15	4,000 #	163
Current sq ft (FY12)	sq ft	137,937	52,000	34,000	1,700,000	461,000
Average store size (FY12)	sq ft	5,747	3,467	2,267		
Diamond-studded jewellery sales (FY12)	%	~32	~25	~5	~55	>75
Retail model		Own stores	Own stores	Own stores	Franchisees, SIS, own stores and distributors	Franchisees

#Largely through distributors

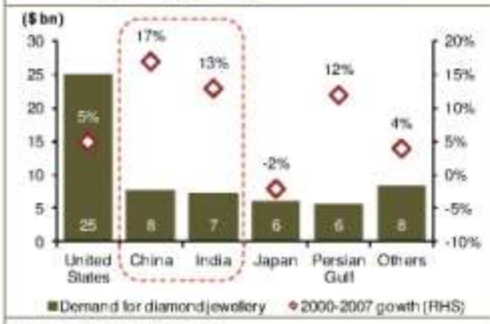
Source: CRISIL Research

Globally, preference for branded jewellery is evident

Reputed branded players stand to gain from the growing preference for branded jewellery. Jewellery retailing has typically been a fragmented business, characterised by a large number of small retailers across major markets in the world. Global retail chains have been expanding their footprint over the past decade and the share of independent retailers has declined at an average rate of 1.6% each year between 2000 and 2010. This trend is likely to continue, creating vast opportunities for the growth of branded jewellery across geographies especially with India and China emerging as key jewellery markets.

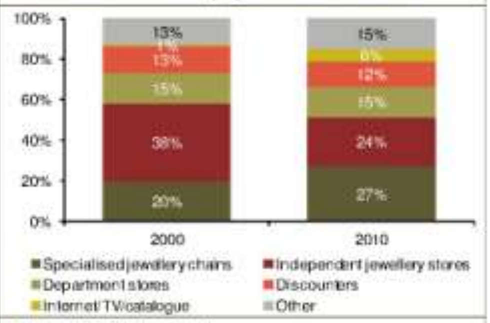
Between 2000 and 2007, jewellery demand in India and China has grown the fastest. The share of these two countries in global jewellery demand increased from 28% to 35% in this period. With wealth increasingly flowing into these two countries, jewellery demand in these geographies is expected to grow at a CAGR of 6% from 2011 to 2014.

Demand for jewellery growing in China and India



Source: CRISIL Research

Rise in share of branded players across markets



Source: CRISIL Research

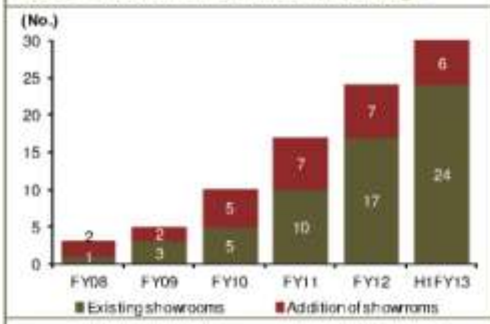
Vast experience and strong execution = faster growth for PCJ than peers

With more than two decades of experience of its promoters in the manufacture and retail of hand-crafted gold jewellery, PCJ has been able to create a strong brand recall in the Delhi region. Over the past three years, the company has increased its retail presence in other parts of North and Central India. It has expanded at a faster pace compared to other organised players and has been able to turn stores profitable right from the first year of operations.

PCJ has been able to diversify its revenue through domestic and export markets. In the domestic market it has a presence in gold and diamond-studded jewellery, with wedding jewellery accounting for 80%. As the focus is more on higher value items (wedding jewellery purchases are planned purchases, unlike fashion jewellery sales which are largely impulsive) the average size of a showroom is more than 5,500 sq ft compared to 2,500-3,500 sq ft for other players. It currently operates 30 showrooms and plans to open 20 showrooms by FY14 across India; these showrooms with average size of 6,650 sq ft are also expected to come up on high streets and market places.

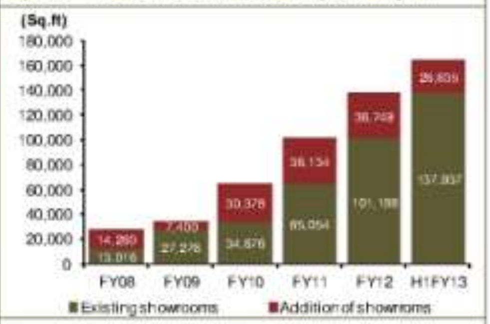
Over the years, PCJ has developed a strong in-house design team and five manufacturing facilities which cater to 70% of its demand. Apart from self-manufacturing, it also procures gold jewellery from more than 1,000 local suppliers in Kolkata, Rajkot, and other parts of the country, enabling it to offer regionally stylised design.

Stores – added six showrooms on an average

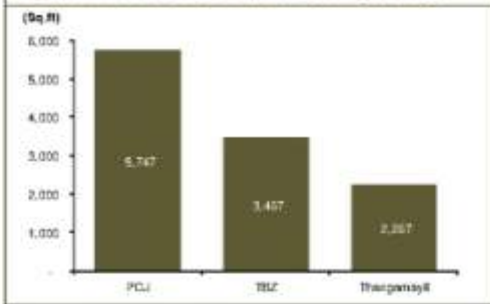
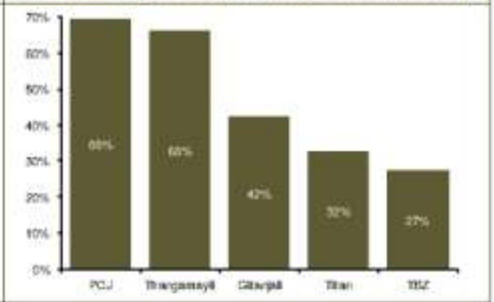


Source: Company, CRISIL Research

Space – added more than 30,000 sq ft each year



Source: Company, CRISIL Research

Large format stores favourable for wedding jewellery	Clocked faster growth vs peers (FY09-12 revenue CAGR)
	
Source: CRISIL Research	Source: CRISIL Research

Prudent hedging policy helps lower price risk

PCJ procures 100% of the gold required for its manufacturing operations under the gold loan schemes from canalising agencies and international bullion suppliers. Under such an arrangement, the price of gold purchased is not fixed on procurement but rather within the applicable credit period on the basis of prevailing gold rates on sale to customers, thereby providing a hedge from risks associated with gold price fluctuations between the time of procuring the raw material and selling the finished product to the customers. This protects the company from a sharp fall in gold prices and limits the upside in terms of inventory gain. Further, PCJ keeps a forex exposure hedge (for export revenue), avoiding adverse impact from forex fluctuation.

Focus will be on diamond jewellery in the domestic market...

Compared to other large traditional/regional players, PCJ has been increasing its focus on diamond-studded jewellery, which contributed 18-20% to overall sales over the past three years. The company's diamond business has been generating gross margins of 26-28% as compared to 9-10% in gold jewellery. Rising proportion of diamond jewellery and slower growth in export market have helped PCJ maintain its margins.

Profitability/Ratios (%)	PCJ	TBZ	Thangamayil	Gitanjali	Titan
EBIT margin (3-yr avg.)	10.1	6.7	8.6	9.0	8.7
PAT margin (3-yr avg.)	7.7	3.0	4.3	5.0	6.1
RoE (3-yr avg.)	54.4	38.1	42.5	35.0	39.0
RoCE (3-yr avg.)	43.1	25.5	32.6	32.0	57.0

Note: FY10-12

Source: CRISIL Research

... and not on exports due to rising competition

Domestic sales contribute about 67% to revenue from operations and exports make up the remainder; PCJ exports to Dubai, Singapore and Hong Kong. It exports to wholesalers with whom it enjoys a long-term relationship. These wholesalers, in turn, sell to other retailers as well as international buyers. The company's gold jewellery exports are not backed by any documentary credits, and, hence, the items can be exported only to trusted buyers. Going forward, the focus on exports will be lower due to rising competition from other countries. Therefore, export revenues will continue to contribute Rs 10 bn over the medium term resulting in a decline in exports. This move is likely to help the company to reduce its working capital cycle in the long term as inventory and debtor days are higher in the exports market compared to the domestic market.

Robust performance on home turf, stabilising in other parts

PCJ is a regional player with a presence primarily in North India. PCJ has gradually expanded from its flagship showroom in Karol Bagh, New Delhi to other parts of North and Central India. Although the company has a strong brand value in areas around Delhi, it is yet to establish a similar brand pull in other parts. Showrooms outside Delhi (20) have much lower average sales per sq ft than the four showrooms in New Delhi. In FY12, Delhi stores (24.4% of total area) accounted for 44% of revenue from operations; in H1FY13 their contribution reduced to 34% with stabilisation of stores in other cities.

	Area (sq ft)			Revenues (Rs mn)			Revenue per sq ft per month (Rs)		
	FY11	FY12	H1FY13	FY11	FY12	H1FY13	FY11	FY12	H1FY13
Stores in Delhi	24,436	32,436	32,436	4400	8932	4235	15,007	26,170	21,762
Stores outside Delhi	76,752	105,501	105,501	5701	11462	6442	8,394	10,530	10,658
Total	101,188	137,837	137,937	10102	20394	10677			
Proportion for stores in Delhi	24.1%	24.4%	24.4%	43.6%	43.8%	39.7%			

*Analysis done for 24 stores existing as of FY12 (details on six new stores not taken into consideration)

Source: Company, CRISIL Research

With rise in competition, ability to replicate success in West and South India is a monitorable

PCJ opened one showroom each in Kanpur, Indirapuram and Ghaziabad and three in New Delhi in H1FY13. It plans to add 20 more showrooms by FY14 across India - 12 in the South and West and the remaining in the North and East. In larger cities, especially in western and southern India, the jewellery retailing market is getting increasingly competitive, evidenced by slow growth and decline in the same store sales of existing organised players. With many regional and national jewellery retailers as well as jewellery manufacturers and exporters lining up aggressive expansion plans, competition is expected to intensify.

While this pans out, the shift from unbranded jewellery to branded jewellery should provide some room for the players to co-exist and compete on customer loyalty and variety, underlined by quality assurance. On the flip side, this will likely lead to higher spending on advertising, lower volumes and realisations and/or suppressed margins on gold jewellery. The company does not have any presence in the southern and western regions. Given, the lower pick-up in stores outside Delhi, PCJ's ability to successfully penetrate these regions and establish a brand is a key monitorable.

B. Financial Performance

PCJ's FY12 operating income was Rs 30.4 bn; it reported CAGR of 75% over FY08-12 driven by new showrooms additions and improvement in same store sales. EBITDA margin has been steady at 9-10% over the past four years as PCJ is completely hedged against gold price fluctuations and has stable overhead costs. Greater contribution from the high-margin diamond business has also supported EBITDA margin. Strong revenue growth along with stable EBITDA margin resulted in robust PAT growth of 106% CAGR to Rs 2,313 mn in FY12 from Rs 130 mn in FY08. The company has operated at a low effective tax rate of 12.7% due to zero tax on exports from its SEZ in Noida. PCJ has managed to maintain the gearing at 1.0x despite being in an expansion mode. Its net worth is Rs 5.6 bn.

Financial performance snapshot

Particulars	FY08	FY09	FY10	FY11	FY12	H1FY13
Total operating income (Rs mn)	3,214	6,241	9,859	19,772	30,419	18,557
EBITDA margin (%)	6.8	9.6	10.0	8.9	10.9	12.6
Adjusted net profit / (loss) (Rs mn)	130	310	665	1,453	2,313	1,413
Adjusted net margin (%)	4.0	5.0	6.7	7.4	7.6	7.6
RoCE (%)	26.2	30.9	35.3	53.3	40.7	NA
RoE (%)	40.1	55.1	53.1	57.8	52.5	NA
Adjusted EPS (Rs)	5.9	14.0	16.6	32.5	17.3	NA
No. of equity shares (mn)	22.2	22.2	40.2	44.7	134.0	NA
Net worth (Rs mn)	398	727	1,778	3,254	5,560	NA
Debt-equity ratio (x)	1.4	2.9	0.5	0.4	1.0	NA

Note: The financial numbers in this document has been re-classified as per CRISIL's standard and, hence, may not match with DRHP numbers.

Source: DRHP, CRISIL Research

C. Management Capabilities and Corporate Governance

Management has vast experience in the jewellery retail business

PCJ's top management is led by Mr Padam Chand Gupta (chairman) and Mr Balram Garg (managing director) supported by Mr Gupta's sons. The top management has vast experience in the manufacturing and retailing of gold and diamond-studded jewellery.

Aggressively expanded post-split; has been able to turn stores profitable from first year of operations

After a split in the family business in 2005, PCJ has opened 29 new showrooms (between 2007 and H1FY13) in different states across India; the total number of showrooms, as on September 30, 2012, is 30. The pace of expansion has been faster compared to other players in the industry with addition of ~25,000 sq ft retail space every year. The stores have been profitable right from the first year of operations. PCJ plans to add 20 new showrooms in FY14 using the IPO proceeds. Though the pace of expansion is fast, we believe that the company will be able to achieve its target given the track record.

Board composition and independent directors

The board comprises four directors, of whom two are independent directors. The independent directors have been on the board since September 2011. Mr Manohar Lal Singla has over 25 years of experience in the field of education and is currently a professor in Faculty of Management Studies, Delhi. Mr Krishnan Kumar Khurana is a practicing advocate of the Supreme Court of India and the High Court of New Delhi.

Compensation level of key management personnel is low

The compensation structure for key management personnel appears low which can result in attrition. However, most of the senior people in the management have been associated with the company for a long time which minimises this risk.

Name and Designation	Salary – FY11 (Rs lakh)
Mr R K Sharma (55) - COO	6.5
Mr Sanjeev Bhatia (50) – President Finance	7.6
Mr R Sugla (37) – Senior VP Accounts and Taxation	7.0
Mr K Singh (34) – Senior VP Projects and Audit	6.4
Mr N Gupta (33) – President – Diamond Manufacturing	3.0
Mr S Gupta (36) – President – Gold Manufacturing	NA
Mr Vijay Pawar (37) – Company Secretary	4.0

Source: DRHP, Company

Annexure I

Business Profile

Retailing of gold and diamond-studded jewellery (67% of FY12 revenue from operations): PCJ sells jewellery made of gold, diamond and other precious stones, platinum and silver. As on September 30, 2012 it has 30 showrooms in 23 cities in North and Central India. PCJ sells its jewellery under the brand "PC Jeweller".

In FY11, gold jewellery contributed 66% to revenue from operations followed by diamond jewellery (32%) and other types of jewellery (2%). Diamond jewellery's contribution to revenue from operations has risen significantly from 6% in FY09 to 18% in FY11.

Jewellery exports (33% of FY12 revenue from operations): PCJ exports gold and diamond jewellery to international distributors in Dubai, Singapore and Hong Kong. In FY11 and FY10, exports contributed 34% to total sales.

Manufacturing facilities

Location	Commissioning date	Purpose	Area in sq ft
Noida SEZ, Uttar Pradesh	20-Nov-07	Jewellery for exports	36,570
Noida SEZ, Uttar Pradesh	3-Mar-11	Jewellery for exports	3,938
Selaqui, Dehradun, Uttarakhand	30-Mar-10	Jewellery for domestic market	8,611
Selaqui, Dehradun, Uttarakhand	20-Feb-09	Jewellery for domestic market	2,300
Noida, Uttar Pradesh	17-Nov-11	Jewellery for domestic	34,000

Source: DRHP, Company

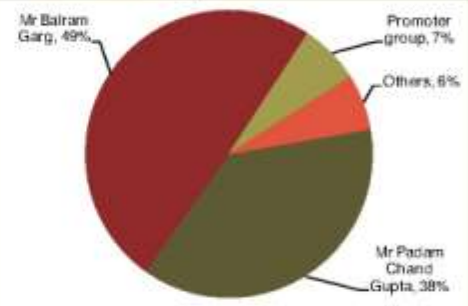
Planned store details

Location	Size (sq ft)	Opening date
Ahmedabad, Gujarat	6,000	FY13
Bengaluru, Karnataka	10,000	FY13
Baroda, Gujarat	5,000	FY13
Bhubaneswar, Odisha	5,000	FY13
Coimbatore, Tamil Nadu	8,000	FY13
Jabalpur, Madhya Pradesh	4,500	FY13
Jalandhar, Punjab	10,000	FY13
Mumbai, Maharashtra	10,000	FY13
Nagpur, Maharashtra	5,500	FY13
Patna, Bihar	4,500	FY13
Ranchi, Jharkhand	4,500	FY13
Sriganganagar, Rajasthan	3,500	FY13
Surat, Gujarat	7,000	FY13
Chennai, Tamil Nadu	10,000	FY14
Guwahati, Assam	4,500	FY14
Hyderabad, Andhra Pradesh	8,000	FY14
Jaipur, Rajasthan	6,000	FY14
Jammu, Jammu & Kashmir	4,000	FY14
Kolkata, Paschim Banga	10,000	FY14
Mangalore, Karnataka	7,000	FY14
Total	**133,000**	

Source: DRHP, Company

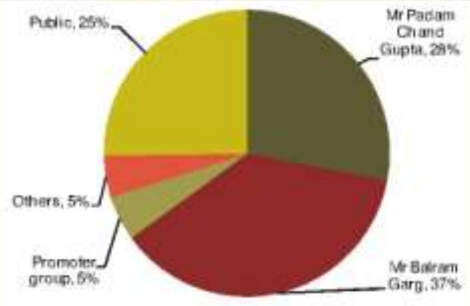
Shareholding pattern

Pre-issue shareholding pattern



Source: DRHP

Post-issue shareholding pattern



Source: DRHP

Annexure II: Profile of the Directors

Name	Designation	Age	Qualification	Date of appointment	Experience	Directorships in other entities
Padam Chand Gupta	Chairman and Non Executive Director	58	NA	Since inception	More than 20 years in the jewellery industry	1. Jagram Finvest Pvt. Ltd
Balram Garg	Managing Director	42	B.Com	Since inception	More than 20 years in the jewellery industry	1. Trigun Infrastructures Pvt. Ltd 2. Amar Garments Pvt. Ltd
Manohar Lal Singla	Independent Director	54	Master's degree in Business Administration and Doctor of Philosophy in Management from the University of Delhi	September 2011	Over 25 years in education	
Krishan Kumar Khurana	Independent Director	55	Master's degree in Arts from Kurukshetra University, Kurukshetra; Bachelor's degree in Law from the University of Delhi	September 2011	Over 25 years in legal services	

Source: Company