

Review Report

To the Board of Directors of PC Jeweller Limited

1. We have reviewed the accompanying statement of unaudited financial results (the 'Statement') of PC Jeweller Limited (the 'Company') for the quarter ended December 31, 2012 and the year to date results for the period April 1, 2012 to December 31, 2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker, Chandiook & Co


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



per **David Jones**
Partner
Membership No. 98113

Place: New Delhi
Date: February 7, 2013

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



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

Place: New Delhi
Date: February 7, 2013



PC JEWELLER LIMITED

Regd. Office: 24/2708, Karol Bagh, New Delhi - 110005

Unaudited Financial Results for the quarter ended December 31, 2012

PART I

₹ in lacs

S.No.	Particulars	Quarter ended	Nine months period ended	Year ended
		December 31, 2012	December 31, 2012	March 31, 2012
		(Unaudited)	(Unaudited)	(Audited)
1	Income from operations			
(a)	Net sales / income from operations	101,853.33	287,423.29	304,192.65
(b)	Other operating income	-	-	-
	Total income from operations	101,853.33	287,423.29	304,192.65
2	Expenses			
(a)	Cost of materials consumed	106,157.92	281,434.27	312,741.32
(b)	Purchase of traded goods	63.64	96.21	368.19
(c)	Changes in inventories of finished goods and work-in-progress	(21,790.01)	(41,884.11)	(61,372.54)
(d)	Employees cost	919.93	2,542.79	2,489.62
(e)	Depreciation and amortisation expense	257.77	733.44	659.00
(f)	Other expenses	5,179.59	10,281.01	16,843.12
	Total expenses	90,788.84	253,203.61	271,728.71
3	Profit from operations before other income, finance cost and exceptional items (1-2)	11,064.49	34,219.68	32,463.94
4	Other income	275.26	762.58	1,855.57
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	11,339.75	34,982.26	34,319.51
6	Finance costs	2,934.02	8,841.33	7,819.65
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	8,405.73	26,140.93	26,499.86
8	Exceptional items	-	-	-
9	Profit from ordinary activities before tax (7+8)	8,405.73	26,140.93	26,499.86
10	Tax expense	1,715.29	5,320.37	3,370.51
11	Net profit from ordinary activities after tax (9-10)	6,690.44	20,820.56	23,129.35
12	Extraordinary items (net of tax expenses)	-	-	-
13	Net profit for the period	6,690.44	20,820.56	23,129.35
14	Paid-up equity share capital (Face value of the share - ₹ 10 each)	17,910.00	17,910.00	13,396.65
15	Earnings per share (EPS)			
(a)	Basic EPS before and after extraordinary items - ₹	Not annualised	Not annualised	17.27
(b)	Diluted EPS before and after extraordinary items - ₹	4.82	15.35	17.27

PART II

Select information for quarter and nine month ended December 31, 2012

S.No.	Particulars	Quarter ended	Nine months period ended	Year ended
		December 31, 2012	December 31, 2012	March 31, 2012
		(Unaudited)	(Unaudited)	(Audited)
A	PARTICULARS OF SHAREHOLDING			
1	Public shareholding			
	- Number of shares	53,695,500	53,695,500	8,562,000
	- Percentage of shareholding	29.98	29.98	6.39
2	Promoters and promoter group shareholding			
a)	Pledged / Encumbered			
	- Number of shares	-	-	-
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-
b)	Non-encumbered			
	- Number of shares	125,404,500	125,404,500	125,404,500
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	70.02	70.02	93.61

B INVESTOR COMPLAINTS

Quarter ended
December 31, 2012

Pending at the beginning of the quarter	Nil
Received during the quarter	361
Disposed off during the quarter	361
Remaining unresolved at the end of the quarter	Nil

Segment Results for the quarter and nine month ended December 31, 2012 and year ended March 31, 2012

₹ in lacs

Particulars	Quarter ended	Nine months period ended	Year ended
	December 31, 2012	December 31, 2012	March 31, 2012
	(Unaudited)	(Unaudited)	(Audited)
Segment revenue			
Net sales/income from the segment			
(a) Exports	16,618.41	77,140.61	100,243.66
(b) Domestic	85,234.92	210,282.67	203,948.99
	101,853.33	287,423.28	304,192.65
Segment results			
Profit before tax and interest from each segment			
(a) Exports	2,328.72	11,511.06	10,053.79
(b) Domestic	9,103.11	23,815.36	25,555.84
Total	11,431.83	35,326.42	35,609.63
Less:			
(i) Interest	2,897.61	8,785.21	7,612.48
(ii) Unallocated expenses	128.49	400.28	1,497.29
(iii) Tax expense	1,715.29	5,320.37	3,370.51
Net profit as per Statement of Profit and Loss	6,690.44	20,820.56	23,129.35
Capital employed			
(Segment assets less segment liabilities)			
(a) Exports	6,886.29	6,886.29	7,833.16
(b) Domestic	80,625.22	80,625.22	44,687.42
(c) Unallocated	45,481.61	45,481.61	3,338.44
Total	132,993.12	132,993.12	55,859.02

Notes :

- 1 The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 7, 2013 and have undergone 'Limited Review' by the Statutory Auditors of the Company.

- 2 During the quarter, the company has made an Initial Public Offer (IPO) and allotted 4,51,33,500 equity shares of face value ₹ 10 . Out of these, 1,59,88,722 equity shares of face value ₹ 10 at a premium of ₹ 120 per equity share were allotted to retail investors and eligible employees of the Company and the balance equity shares of face value ₹ 10 at a premium of ₹ 125 per equity share were allotted to qualified institutional buyers and non-institutional investors. Consequently, the paid up Equity Share Capital and Securities Premium Account have been increased by ₹ 4513.35 lacs and ₹ 55,617.44 lacs respectively. The Company's Shares have been listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE) on December 27, 2012.

- 3 Pursuant to the provisions of Clause 43 of the listing Agreement with the exchanges, the utilization of the net proceeds is as follows:

Particulars	₹ in Lacs		
	Utilization planned as per Prospectus	Utilization of IPO proceeds as on December 31, 2012	Balance amount to be utilized as on December 31, 2012
To finance the establishment of new showrooms	51,685.00	Nil	51,685.00
General corporate purposes	4,643.70	Nil	4,643.70
Share issue expenses	3,800.00	3,800.00	Nil
# on accrual basis			


Interim utilization of IPO proceeds up to Decmeber 31, 2012

Particulars	₹ in Lacs
	Amount
Balance utilised amount temporarily invested in:	
Mutual funds	43,000.00
Balance in bank accounts	13,834.09
Escrow account	2,000.00

- 4 Since the unaudited financial results for the quarter and nine months ended December 31, 2012 is the first financial results to be filed and published by the Company in compliance with clause 41 of the Listing Agreement, the corresponding figures for the quarter, nine months ended December 31, 2011 and previous quarter are not applicable.

- 5 The figures of the previous year have been regrouped or rearranged, wherever necessary, to correspond with the figures of the current period.

For and on behalf of the Board


Balram Garg
Managing Director

Place : New Delhi
Date : February 7, 2013

STATEMENT OF SALIENT FINANCIAL PARAMETERS

The Salient financial parameters of the company's performance are as under:

(Rs. in Cr.)

Period	Domestic Turnover	Export Turnover	Total
12 months ending 31 Mar 2012	2039.49	1002.43	3041.92
6 months ending 30 th Sep 2012	1250.47	605.22	1855.69
9 months ending 31 st Dec 2012	2102.83	771.40	2874.23
3 months ending 31 st Dec 2012.	856.26	162.27	1018.53

The company is operating in both Domestic Retail as well as Export segments. It has taken a conscious decision to focus more on its domestic business, while retaining its export business at the level achieved in March 2012. This is reflected in the financials of 9 months ending 31st Dec 2012. Export Sales as a percentage of total sales stood at 26.84% for 9 months ending 31st Dec 2012 as compared to 32.95% for 12 months ending 31st March 2012.

Period	EBDITA (Domestic)	EBDITA (Export)	Total
12 months ending 31 Mar 2012	229.48	102.99	332.47
6 months ending 30 th Sep 2012	145.04	91.71	236.75
9 months ending 31 st Dec 2012	237.50	112.32	349.82
3 months ending 31 st Dec 2012.	92.78	20.61	113.39

The Company has continued to increase its focus on diamond jewellery as these typically involve higher profit margins than other types of jewellery. Our average margins on diamond jewellery are significantly higher as compared to gold jewellery.



PC Jeweller Limited

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We believe that consumer demand for diamond jewellery in India has increased at relatively higher rates compared to the demand for gold jewellery and we expect this trend to continue in future. The company is working actively to shift its jewellery sales mix towards diamond jewellery. The company has augmented its diamond jewellery manufacturing and designing capabilities and believes that these capabilities would lead to sustainable growth in volumes as well as margins.

Period	Domestic Turnover	Diamond Jewellery Sales	%
12 months ending 31 Mar 2012	2039.49	544.10	26.67
6 months ending 30 th Sep 2012	1250.47	407.18	32.56
9 months ending 31 st Dec 2012	2102.83	637.16	30.30
3 months ending 31 st Dec 2012.	856.26	229.98	26.85

Though the percentage of diamond jewellery sales in the overall domestic sales has reduced in Q3, the company is confident that it is a temporary phenomenon and the same would recover back in Q4. The company expects the diamond jewellery percentage to grow to approx 35% by the year ending March 2013.

The company has been procuring its gold requirements on lease basis in past and will continue to do so. It has signed gold lease agreements with a number of nominated agencies and authorized banks so that it continues to get uninterrupted supply of gold. The company procures loose cut and polished diamonds from a number of vendors in Surat & Mumbai.

We believe that PCJ enjoys an exclusive brand image and top of mind recall amongst the customers. The company is spending approx 1% of its revenues on advertising spend as it builds up its brand and consumer awareness for a pan India expansion. The company has been associated with prestigious events like Filmfare Cine Awards for the past four years. This year it is also associated with Femina Miss India Peagent.

The company's retail presence is spread across locations in Metros, Tier I as well as Tier II towns and it will continue to open stores as per the existing pattern only.

