

# PC Jeweller

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
35,512	10,895
<b>Bloomberg</b>	<b>PCJL IN</b>
Equity Shares (m)	394.4
M.Cap.(INRb)/(USDb)	231.2/3.6
52-Week Range (INR)	601/ 177
1, 6, 12 Rel. Per (%)	25/118/179
Avg Val, INRm	754
Free float (%)	39.5

## Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
Net Sales	103.6	124.1	149.9
EBITDA	10.4	12.7	15.5
NP	6.1	7.7	9.8
EPS (INR)	15.4	19.5	24.9
EPS Gr. (%)	44.4	26.6	27.6
BV/Sh. (INR)	98.0	113.9	134.0
RoE (%)	16.9	18.4	20.1
RoCE (%)	17.8	18.8	20.2
P/E (x)	38.0	30.0	23.5
P/BV (x)	6.0	5.1	4.4

Estimate change



TP change



Rating change


**CMP: INR586 TP: INR685 (+17%)**
**Buy**

## Strong domestic performance continues

- **PC Jeweller's (PCJ) sales grew strongly by 25.5% YoY to INR26.4b** (est. of INR25.5b). EBITDA increased by 52.2% YoY to INR2.7b (est. of INR2.6b), while adj. PAT grew 52.1% YoY to INR1.6b (est. of INR1.4b).
- **Segment-wise performance:** **a)** Domestic sales grew 40.1% YoY to INR17.6b, with the EBIT margin expanding 240bp YoY to 13.5%. Sales in the base quarter had declined 20.6% YoY due to demonetization. **b)** Exports grew 3.9% YoY to INR8.8b, with the EBIT margin expanding 430bp YoY to 8.7%. This is on a high base of 42.6% growth in 3QFY17.
- **EBITDA margin expanded 180bp YoY to 10.2%**, led by gross margin expansion of 160bp YoY to 14% (est. of 13.5%).
- **9M performance:** Sales, EBITDA and PAT grew 24.2%, 39.1% and 40.1%, respectively. EBITDA margin expanded 110bp YoY to 10.6%.
- **Key takeaways from concall:** **(1)** Domestic business guidance maintained at 30%. **(2)** Company will add 15 stores in 4QFY18, including 10 franchisee and 5 own stores. Store additions in FY19 and FY20 will be higher than in FY18.
- **Valuation view:** Changes to model have resulted in a 6% change in FY19/FY20 estimates due to a better margins performance in 3QFY18 and prospects of healthier margins in FY19/FY20 led by downward revision in exports growth guidance. Value migration to organized players in the jewellery industry remains on track. Titan and PCJL are expected to report by-far the highest EPS CAGR over FY17-20 in our consumer and retail universe. While PCJL might not have had the first-mover advantage that Tanishq had, it has emerged as India's second largest jewelry retailer in little over a decade. We value the company at 29x Dec'19E EPS (implying 40% discount to our target multiple of 49x for Titan) and get a revised one-year TP of INR685 (earlier target INR645) for PCJL – an upside of 17%.

## Standalone: Quarterly Earning

Y/E March	FY17				FY18				(INR M)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY17	FY18E	FY18 Change	
<b>Sales</b>	<b>16,645</b>	<b>21,746</b>	<b>21,074</b>	<b>21,581</b>	<b>21,185</b>	<b>26,223</b>	<b>26,449</b>	<b>25,142</b>	<b>81,046</b>	<b>99,000</b>	<b>25,499</b>	<b>3.7</b>
YoY Change (%)	10.2	30.2	-3.4	15.3	27.3	20.6	25.5	16.5	12.1	22.2	21.0	
Gross Profit	2,658	2,419	2,601	2,644	3,060	3,497	3,695	3,462	10,322	13,713	3,446	
Margins (%)	16.0	11.1	12.3	12.3	14.4	13.3	14.0	13.8	12.7	13.9	13.5	
Total Expenditure	14,588	19,959	19,307	19,813	18,853	23,438	23,760	22,637	73,667	88,688	22,936	
<b>EBITDA</b>	<b>2,057</b>	<b>1,787</b>	<b>1,767</b>	<b>1,769</b>	<b>2,332</b>	<b>2,785</b>	<b>2,689</b>	<b>2,505</b>	<b>7,379</b>	<b>10,311</b>	<b>2,563</b>	<b>4.9</b>
YoY Change (%)	22.0	-8.9	-20.6	6.7	13.4	55.9	52.2	41.6	-2.0	39.7	45.1	
Margins (%)	12.4	8.2	8.4	8.2	11.0	10.6	10.2	10.0	9.1	10.4	10.1	
Depreciation	50	55	56	59	49	49	53	60	220	211	60	
Interest	636	710	699	702	596	764	816	500	2,747	2,676	600	
Other Income	101	504	139	508	215	207	455	450	1,252	1,327	150	
<b>PBT</b>	<b>1,472</b>	<b>1,527</b>	<b>1,150</b>	<b>1,515</b>	<b>1,901</b>	<b>2,178</b>	<b>2,276</b>	<b>2,395</b>	<b>5,664</b>	<b>8,751</b>	<b>2,053</b>	<b>10.9</b>
Tax	406	457	81	415	543	672	649	719	1,359	2,583	616	
Rate (%)	27.6	30.0	7.0	27.4	28.6	30.9	28.5	30.0	24.0	29.5	30.0	
<b>Adj PAT</b>	<b>1,066</b>	<b>1,069</b>	<b>1,070</b>	<b>1,101</b>	<b>1,358</b>	<b>1,506</b>	<b>1,627</b>	<b>1,677</b>	<b>4,305</b>	<b>6,168</b>	<b>1,437</b>	<b>13.2</b>
YoY Change (%)	31.2	16.3	-27.4	39.7	27.4	40.8	52.1	52.3	7.8	43.3	34.3	
Margins (%)	6.4	4.9	5.1	5.1	6.4	5.7	6.2	6.7	5.3	6.2	5.6	

E: MOSL Estimates

Vishal Punmiya – Research analyst (Vishal.Punmiya@MotilalOswal.com); +91 22 6129 1547

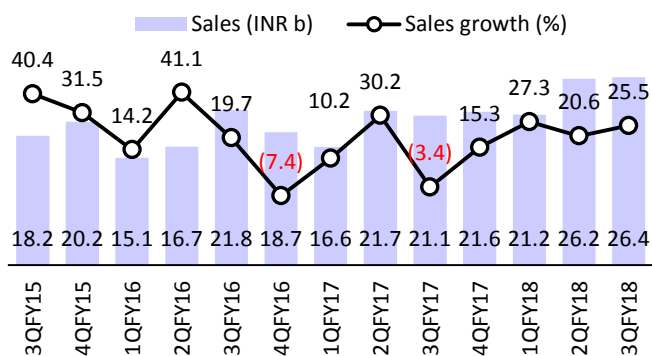
Krishnan Sambamoorthy – Research analyst (Krishnan.Sambamoorthy@MotilalOswal.com); +91 22 6129 1545

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

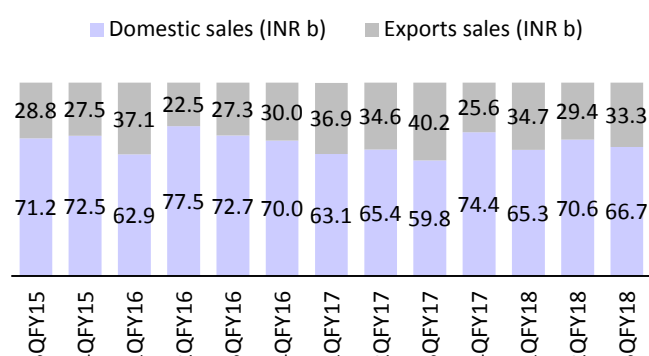
## Key quarterly charts

**Exhibit 1: Sales grew 25.5% in 3QFY18 on a base of -3.4% growth in 3QFY17**



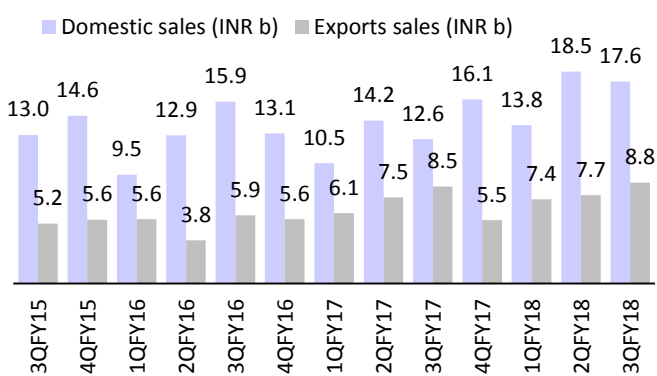
Source: Company, MOSL

**Exhibit 2: Domestic salience stood at 67.5% as on 9MFY18**



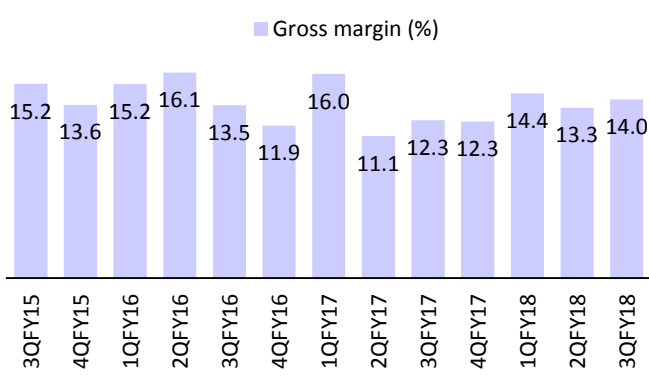
Source: Company, MOSL

**Exhibit 3: Domestic business grew 40.1% YoY to INR17.5b on a base of 20.6% decline**



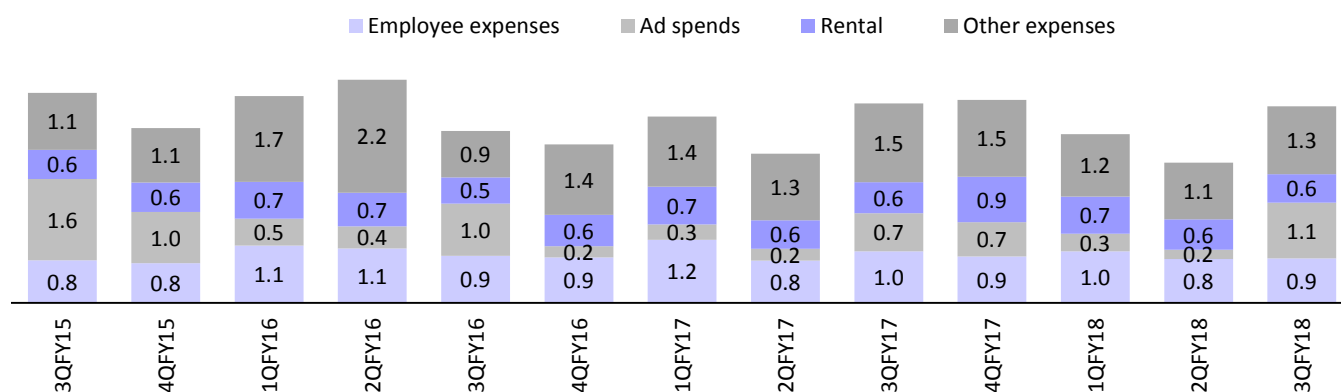
Source: Company, MOSL

**Exhibit 4: Gross margin expanded 160bp YoY to 14%**



Source: Company, MOSL

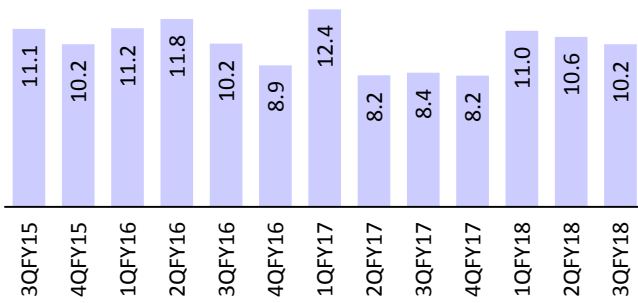
**Exhibit 5: Ad spends were up by 30bp YoY to 1.1% in 3QFY18 (As a % of sales)**



Source: Company, MOSL

**Exhibit 6: EBITDA margin expanded 180bp YoY to 10.2%**

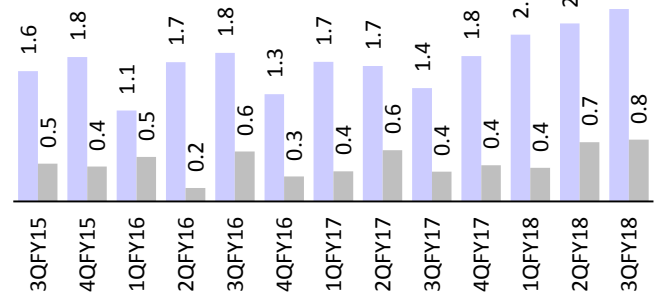
■ EBITDA margin (%)



Source: Company, MOSL

**Exhibit 7: Domestic EBIT grew 70% YoY to INR2.4b**

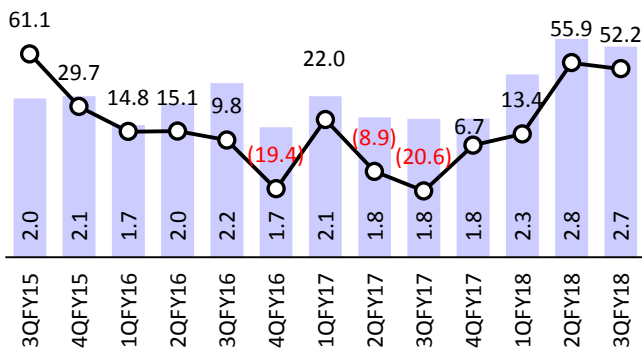
■ Domestic EBIT (INR b) ■ Exports EBIT (INR b)



Source: Company, MOSL

**Exhibit 8: EBITDA grew 52.2% YoY to INR2.7b**

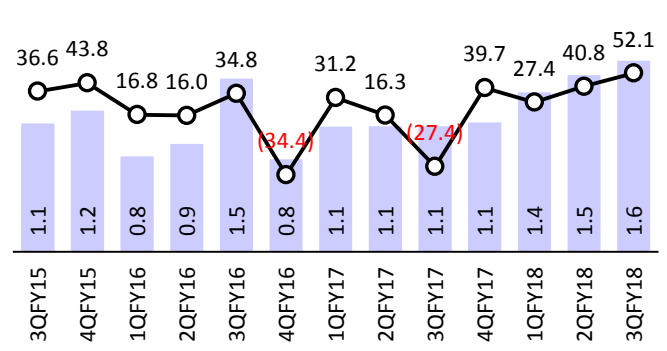
■ EBITDA (INR b) — EBITDA growth (%)



Source: Company, MOSL

**Exhibit 9: Adj. PAT grew 52.1% YoY to INR1.6b**

■ Adj. PAT (INR b) — Adj. PAT growth (%)



Source: Company, MOSL

**Takeaways from conference call****Domestic business**

- Delivered 25% SSSG in 3QFY18.
- GST rate reduction on diamonds and precious stones will help in reducing working capital and in sales of loose diamond solitaires.
- Procurement of diamonds: 90% of the diamonds procured are on upfront basis.
- Introduction of Technology: Digital inventory and augmented reality introduced in a few stores this quarter; also working on other technology additions to the stores. Target to implement augmented reality in all stores by March. It costs around INR0.1m for implementing augmented reality in one store.
- Store additions: There were no store additions in 3QFY18 due to an inauspicious period of 'Mal Maas' and the company focused on strengthening the backend.
- Higher share of studded YoY, cost control and base effect led to gross margin expansion. Studded share stood at 31.5% in 3QFY18 v/s 29% last year same quarter.
- Shift to organized: Compliance cost has increased for local players, tracking is also now possible. In the next five years, organized can become 70% of the market (currently 30%).
- Currently, 70% in-house manufacturing. Jaipur and new factory – will take one and a half year to start manufacturing completely.
- No change in debt level.

- Will focus on diamond, studded and designer jewellery. Competitive intensity is high in gold jewellery.

#### Exports business

- Exports stable on top line and bottom line in 3QFY18.
- UAE is 50% of exports; US, UK South East Asia, Singapore and Malaysia form the rest 50%.

#### Guidance

- Guidance maintained at 30% growth in the domestic business.
- Will add 15 stores in 4QFY18, including 10 franchisee and five own stores. Store additions in FY19 and FY20 will be higher than FY18.
- Exports expected to remain stable against earlier target of 7-8% due to 5% customs duty and VAT introduced in the UAE.
- Factory capex: INR500m per year for next three years; another INR1b for investment in Azva brand (INR0.25b) and rest for own stores.

#### Valuation and view

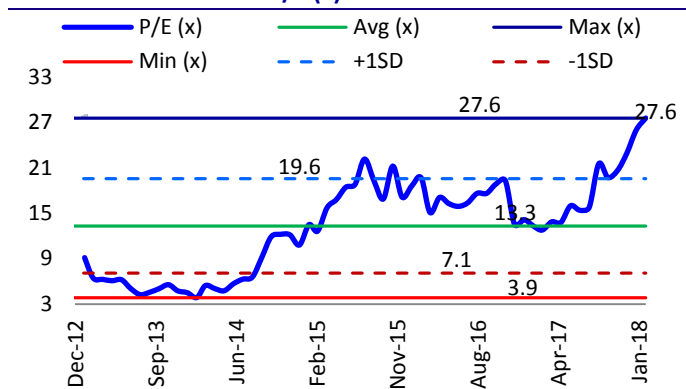
- Organized players have only ~30% share of the INR2t jewelry market in India, with the national players having <10% share. However, armed as they are with the advantages of scale, technology, brand trust, superior hedging policies, wider variety and huge marketing muscle, nation-wide players like PCJL will continue to take share away from the unorganized players for whom the pressures of compliance have whittled away at their ability to offer lower rates to consumers.
- The value migration to organized players is so strong that Titan and PCJL are expected to report by far the highest EPS CAGR over FY17-20 in our Consumer and Retail universe.
- While PCJL might not have had the first mover advantage that Tanishq had, it has emerged as India's second-largest Jewelry Retailer in little over a decade.
- We value the company at 29x December 2019E EPS (implying 40% discount to our target multiple of 49x for Titan) and get a revised one-year target price of INR685 for PCJL – an upside of 17%.

#### Exhibit 10: Changes to model has resulted in 6% change in FY19/FY20 EPS estimates

	New			Old			Change (%)		
	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E
Sales	103,577	124,145	149,917	103,577	123,902	149,766	0.0	0.2	0.1
EBITDA	10,365	12,735	15,485	10,158	12,090	14,720	2.0	5.3	5.2
Adj. PAT	6,080	7,700	9,825	5,935	7,259	9,274	2.4	6.1	5.9

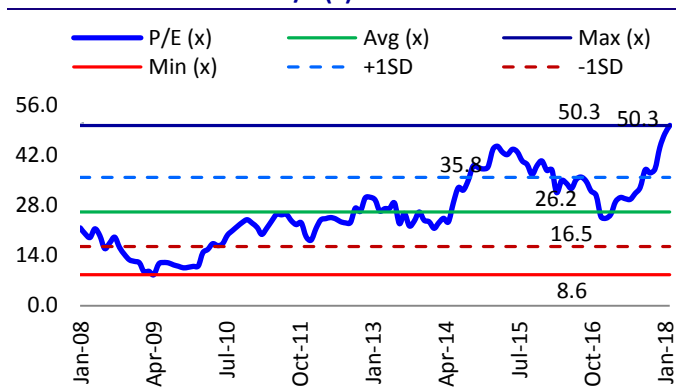
Source: Company, MOSL

Exhibit 11: PC Jeweller P/E (x)



Source: Company, MOSL

Exhibit 12: Retail sector P/E (x)



Source: Company, MOSL

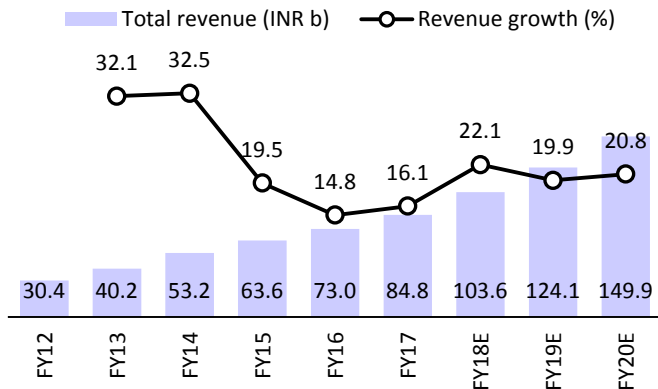
Exhibit 13: Valuation Matrix

Company	Reco	CMP	Target Price		Mkt Cap		EPS Growth YoY (%)			P/E (x)			RoE (%)	Div. (%)
		(INR)	(INR)	Upside (%)	(INR B)	(USD B)	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY18E
Consumer														
Asian Paints	Neutral	1,193	1,282	7	1,141	17.9	2.6	19.8	20.5	55.3	46.2	38.3	26.9	0.8
Britannia Inds.	Buy	4,683	6,098	30	557	8.7	14.7	26.4	25.2	55.4	43.8	35.0	34.0	0.0
Colgate-Palm.	Buy	1,149	1,357	18	315	4.9	10.3	19.8	20.2	49.1	41.0	34.1	48.8	0.9
Dabur India	Buy	364	410	13	640	10.0	6.8	20.0	17.1	47.0	39.2	33.5	26.0	0.7
Emami	Buy	1,264	1,655	31	286	4.5	0.2	25.0	16.1	47.5	38.0	32.8	31.7	0.7
Godrej Cons.	Neutral	1,049	1,042	-1	703	11.0	11.9	15.8	12.0	49.6	42.8	38.2	23.8	0.6
GlaxoSmith C H L	Neutral	6,637	5,785	-13	278	4.4	3.0	13.4	13.2	41.3	36.4	32.1	20.7	1.1
Hind. Unilever	Buy	1,363	1,585	16	2,938	46.1	17.6	20.7	18.1	59.0	48.9	41.4	76.5	1.2
ITC	Neutral	274	276	1	3,314	52.0	8.5	10.2	13.3	30.1	27.3	24.1	23.2	2.1
Jyothy Lab.	Neutral	376	380	1	68	1.1	-27.7	32.0	24.2	46.3	35.0	28.2	13.8	1.6
Marico	Neutral	314	355	13	401	6.3	-1.2	24.3	20.2	50.6	40.7	33.9	32.3	1.0
Nestle India	Neutral	7,692	8,173	6	749	11.7	4.0	14.2	20.9	59.8	52.4	43.3	39.1	0.8
P & G Hygiene	Neutral	9,401	9,461	1	304	4.8	14.0	16.6	18.5	62.0	53.2	44.9	64.8	3.4
Page Industries	Buy	22,017	28,650	30	247	3.9	24.3	39.3	31.8	74.2	53.3	40.4	39.8	0.4
Parag Milk	Neutral	275	314	14	23	0.4	147.7	38.7	35.6	30.8	22.2	16.4	10.8	0.0
Pidilite Inds.	Buy	890	1,044	17	458	7.2	2.9	20.7	15.5	51.7	42.8	37.1	24.1	0.5
United Breweries	Buy	1,096	1,320	20	286	4.5	68.9	22.4	24.2	74.8	61.1	49.2	15.5	0.1
United Spirits	Neutral	3,717	3,449	-7	535	8.4	36.5	53.5	37.3	101.9	66.4	48.4	18.9	0.0
Retail														
Jubilant Food.	Sell	2,092	1,359	-35	128	2.0	114.2	28.0	31.8	97.6	76.2	57.8	16.5	0.1
PC Jeweller	Buy	586	685	17	229	3.6	44.4	26.6	27.6	38.0	30.0	23.5	16.9	0.2
Titan Company	Buy	893	973	9	786	12.3	37.7	27.7	24.9	71.8	56.2	45.0	23.2	0.4

Source: Company, MOSL

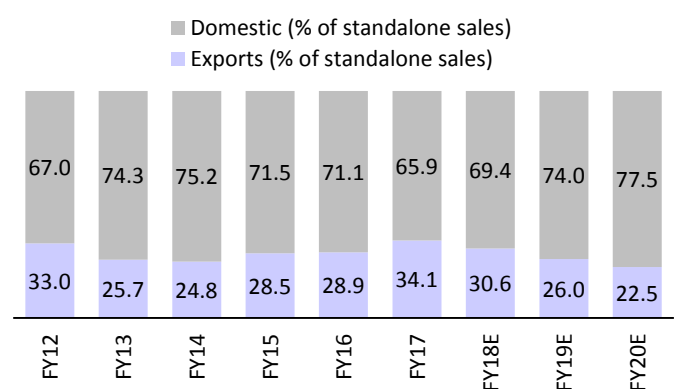
## Story in charts

**Exhibit 14: Domestic business to grow at a CAGR of 28.1% over FY17-20**



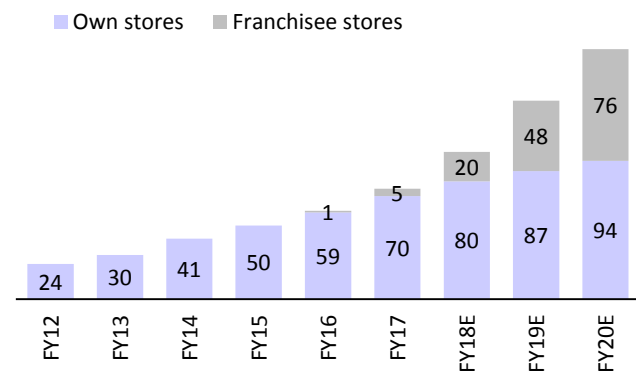
Source: Company, MOSL

**Exhibit 15: ..while subdued growth in exports will lead to its mix coming down to 22.4% of standalone sales by FY20 and >20% by FY22**



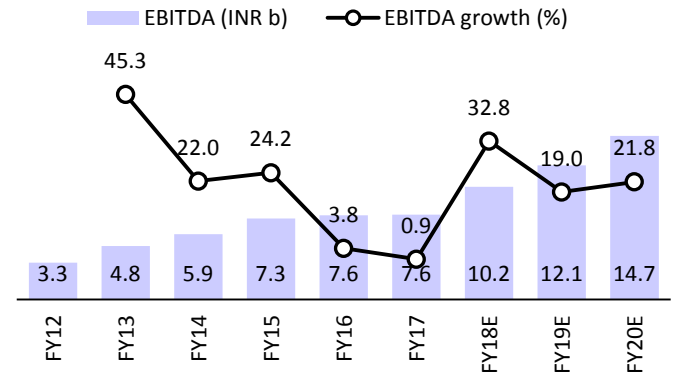
Source: Company, MOSL

**Exhibit 16: Franchisee store to be 80% of incremental store openings**



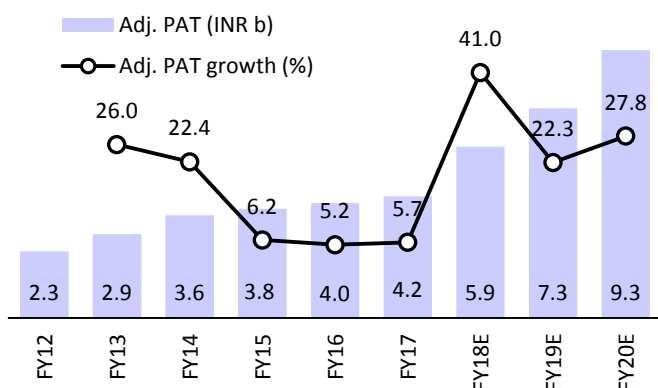
Source: Company, MOSL

**Exhibit 17: EBITDA to grow at a CAGR of 26.5% over FY17-20**



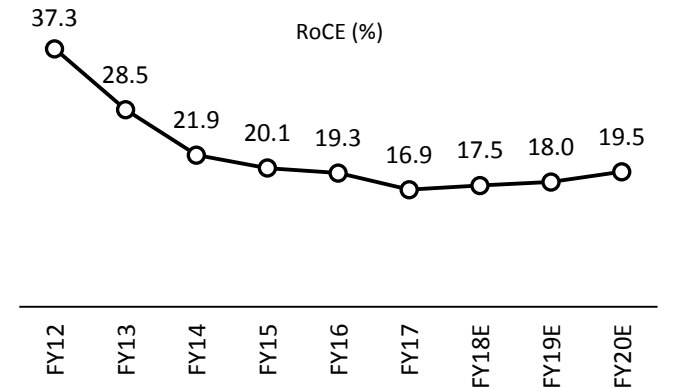
Source: Company, MOSL

**Exhibit 18: PAT to grow at CAGR of 32.6% over the same period**



Source: Company, MOSL

**Exhibit 19: Return ratios to improve with improving margins and use of franchisee model**



Source: Company, MOSL

## Financials and Valuations

### Consolidated - Income Statement

(INR Million)

Y/E March	FY15	FY16	FY17	FY18E	FY19E	FY20E
<b>Total Income from Operations</b>	<b>63,613</b>	<b>73,032</b>	<b>84,796</b>	<b>103,577</b>	<b>124,145</b>	<b>149,917</b>
Change (%)	19.5	14.8	16.1	22.1	19.9	20.8
Raw Materials	53,946	62,841	74,302	89,698	107,137	128,929
<b>Gross Profit</b>	<b>9,667</b>	<b>10,192</b>	<b>10,494</b>	<b>13,879</b>	<b>17,008</b>	<b>20,988</b>
Margin (%)	15.2	14.0	12.4	13.4	13.7	14.0
Employees Cost	557	727	834	932	1,241	1,649
Other Expenses	1,808	1,883	2,010	2,582	3,032	3,855
<b>EBITDA</b>	<b>7,302</b>	<b>7,582</b>	<b>7,650</b>	<b>10,365</b>	<b>12,735</b>	<b>15,485</b>
Change (%)	24.2	3.8	0.9	35.5	22.9	21.6
Margin (%)	11.5	10.4	9.0	10.0	10.3	10.3
Depreciation	230	227	225	289	418	561
<b>EBIT</b>	<b>7,072</b>	<b>7,355</b>	<b>7,425</b>	<b>10,075</b>	<b>12,317</b>	<b>14,923</b>
Margin (%)	11.1	10.1	8.8	9.7	9.9	10.0
Int. and Finance Charges	2,269	2,511	2,856	2,425	1,942	1,459
Other Income	592	499	973	1,036	1,117	1,199
<b>PBT after EO Exp.</b>	<b>5,395</b>	<b>5,344</b>	<b>5,542</b>	<b>8,686</b>	<b>11,493</b>	<b>14,664</b>
Total Tax	1,611	1,362	1,331	2,606	3,793	4,839
Tax Rate (%)	29.9	25.5	24.0	30.0	33.0	33.0
<b>Reported PAT</b>	<b>3,784</b>	<b>3,982</b>	<b>4,210</b>	<b>6,080</b>	<b>7,700</b>	<b>9,825</b>
<b>Adjusted PAT</b>	<b>3,784</b>	<b>3,982</b>	<b>4,210</b>	<b>6,080</b>	<b>7,700</b>	<b>9,825</b>
Change (%)	6.2	5.2	5.7	44.4	26.6	27.6
Margin (%)	5.9	5.5	5.0	5.9	6.2	6.6

### Consolidated - Balance Sheet

(INR Million)

Y/E March	FY15	FY16	FY17	FY18E	FY19E	FY20E
Equity Share Capital	1,791	1,791	1,791	3,942	3,942	3,942
Total Reserves	18,115	22,300	31,728	34,704	40,975	48,893
<b>Net Worth</b>	<b>19,906</b>	<b>24,091</b>	<b>33,519</b>	<b>38,646</b>	<b>44,917</b>	<b>52,835</b>
Total Loans	6,819	9,704	8,028	7,028	5,028	4,028
Deferred Tax Liabilities	-125	-120	-334	-334	-334	-334
<b>Capital Employed</b>	<b>26,599</b>	<b>33,676</b>	<b>41,214</b>	<b>45,341</b>	<b>49,611</b>	<b>56,530</b>
Gross Block	1,474	1,138	1,333	1,883	2,758	3,479
Less: Accum. Deprn.	578	226	451	740	1,158	1,719
<b>Net Fixed Assets</b>	<b>896</b>	<b>912</b>	<b>882</b>	<b>1,143</b>	<b>1,600</b>	<b>1,760</b>
Capital WIP	0	0	0	550	545	394
<b>Total Investments</b>	<b>131</b>	<b>81</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>94</b>
Current Investments	131	81	94	94	94	94
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>46,087</b>	<b>56,397</b>	<b>72,656</b>	<b>81,008</b>	<b>93,674</b>	<b>110,156</b>
Inventory	32,299	38,672	41,874	49,798	56,468	64,454
Account Receivables	7,804	9,760	15,380	17,026	21,428	27,930
Cash and Bank Balance	2,840	3,416	11,917	9,926	10,676	11,611
Loans and Advances	3,144	4,549	3,485	4,257	5,102	6,161
<b>Curr. Liability &amp; Prov.</b>	<b>20,515</b>	<b>23,714</b>	<b>32,419</b>	<b>37,454</b>	<b>46,302</b>	<b>55,874</b>
Account Payables	18,220	21,777	29,981	34,476	42,733	51,563
Other Current Liabilities	487	668	1,746	2,133	2,556	3,087
Provisions	1,808	1,269	692	845	1,013	1,224
<b>Net Current Assets</b>	<b>25,572</b>	<b>32,683</b>	<b>40,238</b>	<b>43,554</b>	<b>47,372</b>	<b>54,282</b>
<b>Appl. of Funds</b>	<b>26,599</b>	<b>33,676</b>	<b>41,214</b>	<b>45,341</b>	<b>49,611</b>	<b>56,530</b>

E: MOSL Estimates



## Financials and Valuations

### Ratios

Y/E March	FY15	FY16	FY17	FY18E	FY19E	FY20E
<b>Basic (INR)</b>						
<b>EPS</b>	<b>9.6</b>	<b>10.1</b>	<b>10.7</b>	<b>15.4</b>	<b>19.5</b>	<b>24.9</b>
Cash EPS	10.2	10.7	11.3	16.2	20.6	26.3
BV/Share	50.5	61.1	85.0	98.0	113.9	134.0
DPS	1.5	3.4	1.0	2.0	3.0	4.0
Payout (%)	18.3	40.1	11.3	15.7	18.6	19.4
<b>Valuation (x)</b>						
P/E		58.1	54.9	38.0	30.0	23.5
Cash P/E		54.9	52.1	36.3	28.5	22.3
P/BV		9.6	6.9	6.0	5.1	4.4
EV/Sales		3.3	2.7	2.2	1.8	1.5
EV/EBITDA		31.3	29.7	22.0	17.7	14.4
Dividend Yield (%)		0.6	0.2	0.3	0.5	0.7
FCF per share		0.3	18.7	3.4	12.7	10.4
<b>Return Ratios (%)</b>						
RoE	20.6	18.1	14.6	16.9	18.4	20.1
RoCE	20.1	19.3	16.9	17.8	18.8	20.2
RoIC	21.9	20.4	19.0	22.0	22.6	24.2
<b>Working Capital Ratios</b>						
Fixed Asset Turnover (x)	43.1	64.2	63.6	55.0	45.0	43.1
Asset Turnover (x)	2.4	2.2	2.1	2.3	2.5	2.7
Inventory (Days)	161	177	173	162	156	147
Debtor (Days)	40	44	54	57	57	60
Creditor (Days)	89	100	111	114	114	115
<b>Leverage Ratio (x)</b>						
Current Ratio	2.2	2.4	2.2	2.2	2.0	2.0
Interest Cover Ratio	3.1	2.9	2.6	4.2	6.3	10.2
Net Debt/Equity	0.2	0.3	-0.1	-0.1	-0.1	-0.1

### Consolidated - Cash Flow Statement

(INR Million)

Y/E March	FY15	FY16	FY17	FY18E	FY19E	FY20E
OP/(Loss) before Tax	5,395	5,344	5,542	8,686	11,493	14,664
Depreciation	230	227	225	289	418	561
Interest & Finance Charges	1,986	1,978	2,132	1,389	824	259
Direct Taxes Paid	-1,289	-1,395	-1,826	-2,606	-3,793	-4,839
(Inc)/Dec in WC	-2,931	-5,867	2,066	-5,307	-3,068	-5,975
<b>CF from Operations</b>	<b>3,391</b>	<b>286</b>	<b>8,138</b>	<b>2,452</b>	<b>5,874</b>	<b>4,670</b>
Others	-64	-126	-574	0	0	0
<b>CF from Operating incl EO</b>	<b>3,327</b>	<b>160</b>	<b>7,565</b>	<b>2,452</b>	<b>5,874</b>	<b>4,670</b>
(Inc)/Dec in FA	-289	-34	-191	-1,100	-870	-570
<b>Free Cash Flow</b>	<b>3,039</b>	<b>126</b>	<b>7,373</b>	<b>1,352</b>	<b>5,004</b>	<b>4,100</b>
(Pur)/Sale of Investments	1,853	71	-1	0	0	0
Others	295	216	275	1,036	1,117	1,199
<b>CF from Investments</b>	<b>1,859</b>	<b>252</b>	<b>83</b>	<b>-64</b>	<b>247</b>	<b>629</b>
Inc/(Dec) in Debt	-3,228	2,885	4,341	-1,000	-2,000	-1,000
Interest Paid	-2,105	-2,032	-2,766	-2,425	-1,942	-1,459
Dividend Paid	-314	-690	-722	-953	-1,430	-1,906
<b>CF from Fin. Activity</b>	<b>-5,648</b>	<b>163</b>	<b>853</b>	<b>-4,378</b>	<b>-5,372</b>	<b>-4,365</b>
<b>Inc/Dec of Cash</b>	<b>-461</b>	<b>576</b>	<b>8,501</b>	<b>-1,990</b>	<b>750</b>	<b>934</b>
Opening Balance	3,301	2,840	3,416	11,917	9,926	10,676
<b>Closing Balance</b>	<b>2,840</b>	<b>3,416</b>	<b>11,917</b>	<b>9,926</b>	<b>10,676</b>	<b>11,611</b>



## NOTES

## Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Securities Ltd. (MOSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOSL is a subsidiary company of Motilal Oswal Financial Service Ltd. (MOFSL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Metropolitan Stock Exchange Of India Ltd. (MSE) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL) and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products. Details of associate entities of Motilal Oswal Securities Limited are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

### Pending Regulatory Enquiries against Motilal Oswal Securities Limited by SEBI:

SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudge violation of SEBI Regulations; MOSL requested SEBI to provide all documents, records, investigation report relied upon by SEBI which were referred in Show Cause Notice and also sought personal hearing. The matter is currently pending.

MOSL, its associates, Research Analyst or their relative may have any financial interest in the subject company. MOSL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. MOSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. MOSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, MOSL or any of its associates may have:

- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- Subject Company may have been a client of MOSL or its associates during twelve months preceding the date of distribution of the research report.

MOSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

### Terms & Conditions:

This report has been prepared by MOSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOSL will not treat recipients as customers by virtue of their receiving this report.

### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

### Disclosure of Interest Statement

Analyst ownership of the stock

PC Jeweller

No

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSL & its group companies to registration or licensing requirements within such jurisdictions.

### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

### For U.S.

Motilal Oswal Securities Limited (MOSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

### For Singapore

Motilal Oswal Capital Markets Singapore Pte Limited is acting as an exempt financial advisor under section 23(1)(f) of the Financial Advisers Act (FAA) read with regulation 17(1)(d) of the Financial Advisers Regulations and is a subsidiary of Motilal Oswal Securities Limited in India. This research is distributed in Singapore by Motilal Oswal Capital Markets Singapore Pte Limited and it is only directed in Singapore to accredited investors, as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time. In respect of any matter arising from or in connection with the research you could contact the following representatives of Motilal Oswal Capital Markets Singapore Pte Limited:

### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; [www.motilaloswal.com](http://www.motilaloswal.com). Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 3080 1000. Compliance Officer: Neeraj Agarwal, Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.:022-30801085.

Registration details of group entities.: MOSL: NSE (Cash): INB231041238; NSE (F&O): INF231041238; NSE (CD): INE231041238; BSE (Cash): INB011041257; BSE(F&O): INF011041257; BSE(CD): MSE(Cash): INB261041231; MSE(F&O): INF261041231; MSE(CD): INE261041231; CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN 17397. Investment Adviser: INA000007100. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670) offers PMS and Mutual Funds products. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) offers wealth management solutions. \*Motilal Oswal Securities Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance and IPO products. \* Motilal Oswal Commodities Broker Pvt. Ltd. offers Commodities Products. \* Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. offers Real Estate products. \* Motilal Oswal Private Equity Investment Advisors Pvt. Ltd. offers Private Equity products