

PC JEWELLER LIMITED

CIN: L36911DL2005PLC134929

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NOTICE

Notice is hereby given that an Extra-ordinary General Meeting of the Members of PC Jeweller Limited will be held on **Monday, the 9th day of May, 2016, at 10:30 A.M., at Air Force Auditorium, Subroto Park, New Delhi – 110010**, to transact the following **Special Business**:

ITEM NO. 1: ISSUE AND ALLOTMENT OF COMPULSORILY CONVERTIBLE DEBENTURES AND EQUITY SHARES ARISING ON CONVERSION OF COMPULSORILY CONVERTIBLE DEBENTURES

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendments or re-enactments thereof for the time being in force), the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “**ICDR Regulations**”), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), each as amended, any other applicable laws, rules and regulations and enabling provisions in the Memorandum and Articles of Association of the Company and the equity listing agreements entered into by the Company with BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) and subject to necessary approvals / sanctions / permissions of appropriate statutory / regulatory authorities, if applicable, and subject to such conditions as may be prescribed by any of them while granting such approvals / sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any Committee(s), which the Board may have constituted or may constitute to exercise the powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 42,70,000 (Forty Two Lac Seventy Thousand) Compulsorily Convertible Debentures (“**CCDs**”) having face value of INR 1,000 (Indian Rupees One Thousand Only) each, in one or more

tranches, at par, for an aggregate amount of up to INR 427 crores (Indian Rupees Four Hundred Twenty Seven Crores Only) and on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment, by way of a preferential allotment on private placement basis to DVI Fund (Mauritius) Ltd (the “**Proposed Allottee**”) and to issue such number of equity shares as may be required to be issued upon conversion of the CCDs allotted pursuant to this resolution or as may be necessary in accordance with the terms of the offering.

RESOLVED FURTHER THAT the CCDs shall (i) carry a coupon of 13% per annum, grossed up of all withholding taxes, payable on a quarterly basis, up to the date of conversion into equity shares of the Company and (ii) be converted into such number of equity shares of the Company arrived at by dividing the product of the face value of each CCD being converted and the number of CCDs being converted, by the higher of the (a) price determined in accordance with the ICDR Regulations; and (b) INR 380 (Indian Rupees Three Hundred Eighty Only).

RESOLVED FURTHER THAT the equity shares to be issued on conversion of the CCDs shall rank pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT the relevant date, for determination of the price at which the CCDs convert into equity shares of the Company, shall be the date 30 (thirty) days prior to the date on which the meeting of members is held to consider the proposed issuance of CCDs.

RESOLVED FURTHER THAT in accordance with the Regulation 74(1) of the ICDR Regulations the CCDs shall be allotted within a period of 15 days from the date of passing of this resolution, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval.

RESOLVED FURTHER THAT in accordance with the Regulation 75 of the ICDR Regulations and terms of CCDs, the tenure of the CCDs shall not exceed 18 (eighteen) months from the date of their allotment.

RESOLVED FURTHER THAT the CCDs and the equity shares proposed to be allotted to the Proposed Allottee upon conversion of the CCDs, be listed on BSE and NSE, and that the Board be and is hereby authorised to make

the necessary applications and to take all other steps as may be necessary for and in connection with the listing of the CCDs and the equity shares proposed to be allotted to the Proposed Allottee upon conversion of the CCDs and for the admission of such CCDs and the equity shares with the depositories, viz. National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”), and for the credit of such CCDs and the equity shares allotted upon conversion of the CCDs to the demat account of the Proposed Allottee.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including but not limited to execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or Officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.”

By order of the Board of Directors
For **PC Jeweller Limited**

Sd/-

Place: New Delhi

(VIJAY PANWAR)

Date: April 6, 2016

Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts and related particulars for the proposed special business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA-ORDINARY GENERAL MEETING (“EGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE**

THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED. A Proxy can act on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy for his entire shareholding and such person shall not act as a Proxy for any other person or Member.

3. The EGM Notice is being sent by e-mail to those Members who have registered their e-mail IDs with their Depository (in case of electronic shareholding) / the Company’s Registrar and Share Transfer Agent – Karvy Computershare Private Limited (“**Karvy**”) (in case of physical shareholding) for receipt of documents in electronic mode. The physical copies of EGM Notice along with Attendance Slip and Proxy Form is being sent by permitted mode to those Members whose e-mail ID’s are not registered.
4. The EGM Notice is being sent to all Members, whose names appear in the Register of Members / List of Beneficial Owners as received from NSDL / CDSL, as on Thursday, March 31, 2016. Notice is also available on the Company’s website i.e. www.pcjeweller.com in the Investor section as well as on the Karvy’s website i.e. <https://evoting.karvy.com>.
5. Only those Members, whose names appear in the Register of Members / List of beneficial owners as on **Tuesday, May 3, 2016 (“Cut-off Date”)**, shall be entitled to vote (through remote e-voting / physical ballot paper) on the resolution set forth in this Notice and their voting rights shall be in proportion to their shares in the paid up equity share capital of the Company as on the Cut-off Date. A person who is not a Member as on the Cut-off Date should treat this Notice for information only.
6. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Company is pleased to provide to its Members the facility to exercise their right to vote by electronic means and the business may be transacted through remote e-voting facility (i.e. facility of casting votes by using an electronic voting system from a place other than the venue of EGM). The Company has engaged the services of Karvy as the Agency to provide remote e-voting facility. E-voting is optional.
7. The Company shall also provide facility for voting

through physical ballot paper at the EGM and Members attending the EGM, who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the EGM.

8. Members can opt for only one mode of voting i.e. either by physical ballot paper or remote e-voting. However, if Members cast their vote through both mode of voting, then the voting through remote e-voting shall prevail.

9. The remote e-voting facility shall be available during the following period:

Commencement of remote e-voting :

From 9:00 A.M. on May 6, 2016

End of remote e-voting :

Up to 5:00 P.M. on May 8, 2016

The remote e-voting will not be allowed beyond the aforesaid time and date and the e-voting module shall be disabled by Karvy upon expiry of the aforesaid period.

10. The e-Voting Event Number, User ID and Password for remote e-voting are being sent by e-mail, to those Members who have registered their e-mail addresses and along with physical copy of the EGM Notice to those Members, who have not registered their e-mail addresses.

11. Any person, who acquires shares and become Member of the Company after the despatch of the Notice and holds shares as on the Cut-off Date i.e. May 3, 2016, may obtain the login ID and Password in the manner mentioned below:

(a) If the mobile number of the Member is registered against Folio No./DP ID-Client ID, the Member may send SMS: MYEPWD <space> e-voting Event Number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE>1402345612345678

Example for Physical: MYEPWD<SPACE> e-voting Event Number + Folio No.

(b) If e-mail address or mobile number of the Member is registered against Folio No./DP ID-Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID-Client ID and PAN to generate a Password.

(c) Member may call Karvy's toll free number 1800-345-4001.

(d) Member may send an e-mail request to

evoting@karvy.com.

If a Member is already registered with Karvy for remote e-voting then he can use his existing user ID and Password/PIN for casting vote through remote e-voting.

12. The Members, who have cast their votes by remote e-voting may also attend the EGM but shall not be entitled to cast their vote again.

13. The Board of Directors has appointed Shri Randhir Singh Sharma, Practicing Company Secretary (C.P.No.: 3872), as the Scrutinizer to scrutinize the remote e-voting and physical voting process at the EGM in a fair and transparent manner.

14. The Scrutinizer will make a consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes, if any, to the Chairman of the Company or in his absence to any other Director authorized by the Board, who shall countersign the same. Based on the Scrutinizer's Report, the result will be declared by the Chairman or in his absence by the Company Secretary within 48 hours from the conclusion of the EGM at the Registered Office of the Company.

15. The Result declared along with the Scrutinizer's Report will be displayed on the notice board of the Company at its Registered Office and shall also be placed on the Company's website www.pcjeweller.com and also on Karvy's website <https://evoting.karvy.com>. The Result shall also be forwarded to the Stock Exchanges, where Company's shares are listed.

16. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the EGM, i.e. May 9, 2016.

17. Members are requested to carefully read the 'Procedures and Instructions for Remote e-Voting' mentioned hereunder:

PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING:

A. For Members receiving EGM Notice by e-mail:

i) Launch internet browser by typing <https://evoting.karvy.com>.

ii) Enter the login credentials (i.e. User ID & Password) mentioned in your e-mail. Your Folio No. / DP ID-Client ID (for NSDL) / 16 digits Beneficiary ID for CDSL will be your Used ID.

iii) Under Captcha, please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

iv) After entering these details appropriately, click "LOGIN".

v) You will now reach Password Change Menu,

wherein you are required to mandatorily change your Password. The new Password shall comprise of minimum eight characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *,#,@ etc.). The system will prompt you to change your Password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter the secret question and answer of your choice to retrieve your Password in case you forget it. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.

- vi) You need to login again with the new credentials.
- vii) If you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
- viii) On successful login, system will prompt you to select the 'EVENT' i.e. '**PC Jeweller Limited**'.
- ix) On the voting page, you will see resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares as on the cut-off date i.e. May 3, 2016 (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member does not indicate either 'FOR' or 'AGAINST', it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
- x) Cast your vote by selecting an appropriate option and click 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else click 'CANCEL' to change your vote.
- xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xii) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- xiii) Corporates / Institutional Members (i.e. other than Individuals, HUF's, NRI's etc.) are required to send scanned certified true copy (PDF format) of the relevant Board resolution / Power of Attorney / Authority Letter to the Scrutinizer at the e-mail ID rss.scrutinizer@gmail.com with copy to evoting@karvy.com.
- xiv) In case of any queries on e-voting, you may refer

Frequently Asked Questions (FAQs) on e-voting and User Manual for Shareholders available at the download section of <https://evoting.karvy.com> or contact Shri Anupam Ompolu, Manager at Karvy at e-mail id: anupam.ompolu@karvy.com, contact no.: 040-67161531 or can also call Karvy's toll free no.: 1800-345-4001.

B. For Members receiving EGM Notice by Post:

- i) Initial Password is provided below the Attendance Slip in the following format:

EVEN (e-Voting Event Number)	User ID	Password / PIN

- ii) Please follow all steps as mentioned in (A) above, to cast your vote.

- 18. Corporate Members intending to send their authorized representatives to attend the EGM are requested to send a certified true copy of the Board Resolution authorizing their representatives to attend and vote at the EGM, on their behalf.
- 19. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details/mandates, change of address, e-mail address, etc., to their respective Depository Participants. Members holding shares in physical form are requested to intimate such changes to Registrar and Share Transfer Agent of the Company i.e. Karvy.
- 20. The relevant documents referred to in the accompanying Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 11:00 A.M. and 4:00 P.M. on all working days, other than Saturday, up to the date of the EGM.
- 21. Members are requested to participate in the 'Green Initiative in Corporate Governance'. Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, etc. from the Company electronically.
- 22. Members/Proxies should bring the Attendance Slip duly filled in for attending the EGM.
- 23. In case of joint holders attending the EGM, only such joint holder who is higher in the order of names will be entitled to vote.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

ITEM NO. 1

In order to meet its requirement of working capital as well as capital expenditure to support business expansion, the Company proposes to create, offer, issue and allot up to 42,70,000 (Forty Two Lac Seventy Thousand) Compulsorily Convertible Debentures (“**CCDs**”) having face value of INR 1,000 (Indian Rupees One Thousand Only) each, in one or more tranches, at par, for an aggregate amount of up to INR 427 crores (Indian Rupees Four Hundred Twenty Seven Crores Only) to DVI Fund (Mauritius) Ltd (the “**Proposed Allottee**”). The tenure of the CCDs shall not exceed 18 (eighteen) months from the date of their allotment.

The issue and allotment of the CCDs so offered shall be in dematerialised form and the CCDs and equity shares issued upon the conversion of the CCDs shall, subject to receipt of necessary approvals, be listed and traded on the National Stock Exchange of India Limited and the BSE Limited and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

The disclosures required pursuant to Regulation 73 of ICDR Regulations and the Companies Act, 2013, are as follows:

a) The objects of the preferential issue:

To meet the Company’s requirement of working capital as well as capital expenditure to support business expansion.

b) Total number of securities to be issued, price or price band at/within which the allotment is proposed, basis on which the price has been arrived at:

Up to 42,70,000 CCDs having face value of INR 1,000 (Indian Rupees One Thousand Only) each, in one or more tranches, at par, for an aggregate amount of up to INR 427 crores. The CCDs shall carry a coupon of 13% per annum, grossed up of all withholding taxes, payable on a quarterly basis, up to the date of conversion into equity shares of the Company.

The CCDs shall convert into such number of equity shares of the Company arrived at by dividing the product of the face value of each CCD being converted and the number of CCDs being converted, by the higher of the (i) price determined in accordance with the ICDR Regulations; and (ii) INR 380 (Indian Rupees Three Hundred Eighty Only).

c) Relevant date with reference to which the price has been arrived at:

The relevant date, for determination of the price at which the CCDs convert into equity shares of the Company, shall be the date 30 (thirty) days prior to the date on which the meeting of Members is held to consider the proposed issuance of CCDs.

d) Proposal of the Promoters, Directors or Key Management Personnel of the Company to subscribe to the offer:

None of the Promoters, Directors or Key Management Personnel of the Company has any intention to subscribe to the offer. The Offer is limited to the Proposed Allottee.

e) Shareholding Pattern of the Company before and after the Preferential Issue:

The pre issue and post issue shareholding pattern of the Company is as under:

Sr. No.	Category	Pre Preferential Allotment		Post Preferential Allotment*	
		No. of Shares	% shareholding	No. of Shares	% shareholding
A	Promoter & Promoter Group holding:				
1	Indian:				
	Individuals/HUF	126352850	70.55	126352850	66.38
	Bodies Corporate	0	0.00	0	0.00
	Sub Total	126352850	70.55	126352850	66.38
2	Foreign Promoters	0	0.00	0	0.00
	Sub Total (A)	126352850	70.55	126352850	66.38
B	Non-Promoters' holding:				
1	Institutional Investors	36386104	20.32	47622904	25.02

Sr. No.	Category	Pre Preferential Allotment		Post Preferential Allotment*	
		No. of Shares	% shareholding	No. of Shares	% shareholding
2	Non-Institution:				
	Bodies Corporate	6262518	3.50	6262518	3.29
	Directors and Relatives	3198000	1.79	3198000	1.68
	Indian Public	6408303	3.58	6408303	3.37
	Others (Including NRIs)	492225	0.27	492225	0.26
	Sub Total (B)	52747150	29.45	63983950	33.62
	Grand Total (A+B)	179100000	100.00	190336800	100.00

* For calculation of Post Preferential Allotment shareholding pattern, following assumptions have been made:

- 1) 42,69,984 CCDs to be issued and allotted for INR 426,99,84,000 (for rounding of purposes).
- 2) Full conversion of the CCDs into 112,36,800 equity share of the Company at a conversion price of INR 380 per CCD.

f) Proposed time within which the preferential issue shall be completed:

Pursuant to Regulation 74(1) of the ICDR Regulations, the CCDs shall be allotted within a period of 15 days from the date of approval of the Members to the preferential issue, provided that where the said allotment is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval.

g) Identity of the natural persons who are ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees:

The Proposed Allottee is owned by Deccan Value Investors Fund L.P., A/D Investors Fund L.P., YD SMA LLC, Deccan Value Investors BPI Fund L.P., M/D Investors Fund L.P., DVG 1740 Fund L.P. and H/D Investors Fund L.P. The Proposed Allottee is a Category 2 Sub-Account registered with SEBI with registration number 20100694 and there is no ultimate beneficial owner who holds more than 25% beneficial interest (directly or indirectly) in the Proposed Allottee.

h) Names of the proposed allottees and the percentage of the post preferential issue that may be held by them:

Name of the proposed Allottee	Pre Preferential Allotment (As on 31.03.2016)		Post Preferential Allotment*	
	No. of shares	% shareholding	No. of shares	% shareholding
DVI Fund (Mauritius) Ltd	6654464	3.72	17891264	9.40

*For calculation of Post Preferential Allotment shareholding of the Proposed Allottee, following assumptions have been made:

- 1) 42,69,984 CCDs to be issued and allotted for INR 426,99,84,000 (for rounding of purposes).
- 2) Full conversion of the CCDs into 112,36,800 equity share of the Company at a conversion price of INR 380 per CCD.

i) Change in control, if any, in the Company that would occur consequent to the preferential issue:

There will be no change in control of the Company pursuant to the issuance of the CCDs to the Proposed Allottee and consequent to issuance of equity shares by the Company to the Proposed Allottee upon conversion of such CCDs.

j) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

Nil

k) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not applicable as the allotment of the CCDs proposed to be made is not for consideration other than cash.

l) Undertaking by the Company

As the Company has been listed for a period of more than twenty six weeks prior to the relevant date, the provisions of Regulations 73(1)(f) and (g) of the ICDR Regulations are not applicable.

m) Lock in

The CCDs and the Equity Shares to be allotted upon conversion, will be subject to applicable lock-in and transfer restrictions stipulated under Regulations 78 and 79 of the ICDR Regulations.

The entire pre-preferential allotment shareholding of the Proposed Allottee, if any, shall be locked-in from the relevant date up to a period of six months from the date of the trading approval.

n) Auditor's Certificate

A copy of the certificate of the Statutory Auditors certifying that the issue is being made in accordance with the requirements of the ICDR Regulations shall be placed before the Members of the Company at the EGM and the same shall be open for inspection at the Registered Office of the Company between 11:00 a.m. and 4.00 p.m. on all working days, other than Saturday, up to the date of the EGM.

The Proposed Allottee has not sold its equity shares in the Company during the six months preceding the relevant date. The issue of CCDs is in accordance with the provisions of the Memorandum and Articles of Association of the Company.

In terms of Sections 42 and 71 of the Companies Act, 2013, approval of the Members by way of a Special Resolution is required to issue the CCDs by way of a preferential allotment on private placement basis. Hence, the Board recommends the resolution proposed at Item No.1 for your approval by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholdings in the Company.

By order of the Board of Directors
For **PC Jeweller Limited**

Sd/-
(VIJAY PANWAR)
Company Secretary

Place: New Delhi
Date: April 6, 2016



