

Date: 19/04/2016

To,
The Listing Compliance Department,
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai – 400 001

To,
The Listing Compliance Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Sub.: Investment Agreement with DVI Fund (Mauritius) Ltd

Ref.: PC Jeweller Limited (Scrip Code: 534809, Symbol: PCJEWELLER)

Dear Sir / Madam,

This is further to our intimation dated April 6, 2016 under Regulation 30 (Outcome of Board Meeting / Issuance of Securities) in relation to issuance of Compulsorily Convertible Debentures (“**CCDs**”) for an aggregate amount of up to INR 427 crores by way of a preferential allotment on private placement basis to DVI Fund (Mauritius) Ltd (“**DVI**”), subject to receipt of necessary approvals.

Pursuant to SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 regarding continuous disclosure requirements for listed entities under Regulation 30 of SEBI (LODR) Regulations, 2015, we wish to inform you that the Company has entered into an investment agreement (“**Investment Agreement**”) dated April 18, 2016 with DVI pursuant to which the Company proposes to issue and allot 4,269,984 CCDs of face value INR 1,000 each to DVI for an aggregate subscription amount of INR 4,269,984,000 in accordance with the terms and conditions of the Investment Agreement on the closing date (the “**Closing Date**”) (the “**Proposed Transaction**”). The closing under the Investment Agreement is subject to receipt of necessary approvals, including the approval of shareholders of the Company for the issuance of CCDs, and fulfillment of certain conditions precedent of both the parties.

Once allotted, the CCDs will 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 will 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 (a) price determined in accordance with Regulation 76(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and (b) INR 380 (Indian Rupees Three Hundred Eighty Only).

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.

Upon closing being achieved in accordance with the terms of the Investment Agreement and allotment of the CCDs, DVI will, *inter alia*, have the following rights in the Company:

- right to appoint one nominee director on the board of directors of the Company;
- until the expiration of 18 (eighteen) months from the Closing Date,
 - the Company is not permitted to issue any equity securities (other than any equity securities to be issued by the Company upon conversion of any employee stock options granted pursuant to the PC Jeweller Limited Employee Stock Option Plan 2011) at a price below the price at which the CCDs held by DVI convert into equity

PC Jeweller Limited

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- shares of the Company in accordance with the terms and conditions of the Investment Agreement and applicable law, without the prior written consent of DVI;
- the Company is not permitted to incur any additional Indebtedness, except (a) in the ordinary course of its business and to support its business in line with past practice; or (b) with the prior written consent of DVI; and
 - the Company is not permitted to pay or declare any dividend which is more than the Dividend Payout Ratio (ratio of aggregate dividend paid by the Company in the financial year ending March 31, 2015 divided by the net profit of the Company in the financial year ending March 31, 2015) without the prior written consent of DVI.
- the Company is not permitted to issue equity securities to any person other than DVI or its affiliates on terms which are more favourable than those provided to DVI under the terms of the Investment Agreement, without the prior written consent of DVI.

The rights specified above will fall away if DVI ceases to hold equity securities of the Company aggregating to 6% (six per cent.) of the equity share capital of the Company on a fully diluted basis.

As on the date of the Investment Agreement, DVI holds 3.42 % of the issued and paid-up equity share capital of the Company. After the conversion of the CCDs allotted to DVI on the Closing Date, DVI will hold 9.40 % approximately of the issued and paid-up equity share capital of the Company. As on the date of the Investment Agreement, the Company does not hold any shares of DVI.

DVI is not related to the promoter(s), promoter group of the group companies of the Company in any manner. The Proposed Transaction is not a 'related party transaction' within the meaning of the Companies Act, 2013, as amended as well as SEBI (LODR) Regulations, 2015.

The Company proposes to utilize the proceeds realized from the issuance of the CCDs for meeting Company's requirement of working capital as well as capital expenditure to support business expansion.

Kindly take the information on record.

Thanking you.

For **PC Jeweller Limited**



(SANJEEV BHATIA)
Chief Financial Officer