PCJ
Jeweller for generations

Date: 28/07/2016

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

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

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular NO. CIR/CFD/CMD/4/2015 dated September 9, 2015, relating to continuous disclosure requirements for listed entities and in furtherance to our earlier intimation dated July 27, 2016 in relation to issuance of Compulsorily Convertible Preference Shares ("**CCPS**") for an aggregate amount of up to Rs.257,37,29,120/- (Rupees Two Hundred Fifty Seven Crores Thirty Seven Lakhs Twenty Nine Thousand And One Hundred Twenty Only) by way of preferential allotment on private placement basis to: **1)** Fidelity Advisor Series VIII: Fidelity Advisor Emerging Markets Fund; **2)** Fidelity Emerging Markets Fund; **3)** Fidelity Investment Trust: Fidelity Emerging Markets Fund; **4)** Variable Insurance Products Fund II: Emerging Markets Portfolio; **5)** Fidelity Investment Trust: Fidelity Total International Equity Fund; and **6)** Fidelity Investment Trust: Fidelity International Small Cap Fund (hereinafter collectively referred to as the "**Investors**"), subject to receipt of necessary approvals, this is to inform you that the Company has entered into an investment agreement ("**Investment Agreement**") dated July 27, 2016 with the Investors pursuant to which the Company proposes to issue and allot up to 25,73,72,912 CCPS of face value Rs.10/- each to the Investors for an aggregate subscription amount of up to Rs.257,37,29,120/- 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 CCPS and fulfillment of certain conditions precedent of both the parties.

Once allotted, the CCPS shall carry a dividend of 13% per annum exclusive of any applicable taxes, on cumulative basis, up to the date of their conversion into equity shares of the Company.

The CCPS shall convert into such number of equity shares of the Company arrived at by dividing the product of the face value of each CCPS being converted and the number of CCPS being converted, by Rs.382.54, being the price determined in accordance with the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009, within a maximum period of 12 months from the date of allotment.

The 'relevant date', for determination of the price at which the CCPS convert into equity shares of the Company shall be July 22, 2016, being the date 30 (thirty) days prior to the date on which the meeting of Members is held to consider the proposed issuance of CCPS.

Until conversion of the CCPS into the Equity Shares and provided the Investors during such time hold at least 2% (two per cent.) of the outstanding Equity Shares on a fully diluted basis, the Company will not except with the approval of the Investors:

A. Issue any equity securities (i) at a price lower than the conversion price for the CCPS or issue instruments convertible into equity shares at a price lower than the conversion price for the CCPS; (ii) to any person other than the Investors or their affiliates on terms which are more favorable than those provided to the Investors; or (iii) having a dividend rate higher than that of the CCPS.

PC JEWELLER LIMITED New Delhi

B. incur any additional indebtedness except in the ordinary course of business;

C. in any way amend any charter documents of the Company which will in any way affect, alter, change the existing terms of the CCPS to be allotted to the Investors; and

D. take any action which will have a negative impact on any rights, privilege or preference of the CCPS to be allotted to the Investors.

As on the date of the Investment Agreement, the Investors do not hold any equity share of the Company. After conversion of the CCPS allotted to the Investors on the Closing Date, the Investors will hold 3.62% 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 the Investors.

The Investors are not related to the Promoters, Promoter Group or the Subsidiaries 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 CCPS for meeting its 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**

New Delhi

(SANJEEV BHATIA)
Chief Financial Officer