Date: 17/10/2017

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

Quarterly Update: Q2 FY 2017-18
Ref.: PC Jeweller Limited (Scrip Code: 534809, Symbol: PCJEWELLER)

Dear Sir / Madam,

The Second Quarter of this FY has been a very eventful and active quarter for the company and which has seen several changes and developments. The company has however managed these changes well and has continued to gain market share in the retail jewellery market.

The GST regime was made operational in the month of July. This is a very major structural change and has resulted in a major disruption for the unorganized players in all the sectors of the economy. However, its impact is seen to be higher in jewellery sector because of the much higher percentage of unorganized segment in this sector. The retail jewellery segment is now witnessing a major shift of customers towards the organized players and PCJ is a major beneficiary of the same. The company is therefore witnessing growth by SSG as well as by new stores and has achieved more than 30% sales growth rate in the Q2 of the FY 2017-18 in its domestic business.

The company has been active in expanding its physical presence and has opened seven new stores during this quarter. This includes four company owned and three franchisee stores. Going forward the company plans to add 15 to 20 new stores by end March 2018. These stores will be a mix of both company owned as well as franchisee stores.

The company has signed on the famous Bollywood couple of Akshay Kumar and Twinkle Khanna as its Brand Ambassador during the 2nd quarter and is increasing its media and advertisement spend to support its fast growing store expansion. The new TV ad has been created by the well known director- Balki and has been very well received by public.

The company has launched four new collections during the second quarter. These collections are Tattvam; Amalia, Sway with me and Gracia. The company is predominately a wedding jewellery player but is now reaching out to consumers in the segment consisting of dailywear, causal wear and party wear. These collections are in line with our strategy of being a one stop jewellery store for all age groups and all occasions.

The government had brought the jewellery under the ambit of PMLA, which necessitated obtaining an ID of any consumer purchasing jewellery above Rs 50,000/. This new ruling was brought in during the shrad period which normally witnesses low sales. However, it had started affecting the market sentiment adversely and there has been some loss in the sales due to the same. The company has however, managed to cover up any sales loss due to the PMLA Notification and has achieved more than 30% sales growth in the quarter. This notification has now been repealed and we are witnessing very good customer footfalls and good turnover.

The export business of the company has remained stable during the quarter.

Thanking you,

For **PC Jeweller Limited**

(SANJEEV BHATIA)
Chief Financial Officer