

Date: May 12, 2019

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, BandraKurla Complex,
Bandra (East), Mumbai - 400051

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

Sub.: Outcome of Board Meeting held on May 11, 2019

Dear Sir / Madam,

Pursuant to Regulation 30(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (here-in-after referred to as '**LODR Regulations**') read with the SEBI Circular Number CIR/CFD/CMD/4/2015 dated September 9, 2015, this is to inform that the Board of Directors of the Company in its meeting held yesterday i.e. May 11, 2019 has considered and approved the Scheme of Arrangement for Demerger of 'Export Division' ("**Demerged Undertaking**") of PC Jeweller Limited ("**Demerged Company**" or "**PCJL**") and subsequent Amalgamation of the same with its Wholly Owned Subsidiary Company i.e. PCJ Gems & Jewellery Limited ("**Resulting Company**") (the "**Scheme**") under Sections 230 - 232 of the Companies Act, 2013, with effect from the Appointed Date i.e. April 1, 2019.

The above Scheme of Arrangement shall be effective subject to the receipt of necessary regulatory and other approvals including of National Company Law Tribunal (NCLT) of relevant jurisdiction, Securities and Exchange Board of India (SEBI), Stock Exchanges, Equity Shareholders, Secured Creditors i.e. Banks, Unsecured Creditors and Deposit holders of Demerged Company as well as NCLT of relevant jurisdiction, Equity Shareholders, Secured and Unsecured Creditors, if any, of the Resulting Company.

The detailed disclosure as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed as an Annexure to this Outcome.

You are requested to kindly take the same on your records.

Yours faithfully,

For **PC Jeweller Limited**


(SANJEEV BHATIA)
Chief Financial Officer



PC Jeweller Limited

REGD. & CORPORATE OFF: C - 54, PREET VIHAR, VIKAS MARG, DELHI - 110 092 PH: 011 - 49714971 FAX : 011 - 49714972

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ANNEXURE

a. Brief details of the division(s) to be demerged:

The Demerged Company is having two core business verticals viz. Domestic Division and Export Division. The Board has decided to Demerge the Export Division (“**Demerged Undertaking**”) of PC Jeweller Limited (“**Demerged Company**” or “**PCJL**”) and subsequent amalgamation of the same with its Wholly Owned Subsidiary Company i.e. PCJ Gems & Jewellery Limited (“**Resulting Company**”).

b. Turnover of the Demerged Undertaking and as percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on audited financials of the last financial year i.e. as on March 31, 2018:

| Name of the Division | Turnover (Rs. in Crores) | Percentage (%) |
|--|---------------------------|----------------|
| Demerged Undertaking 'Export Division' | 2,690.37 | 28.35 |
| Remaining Business 'Domestic Division' | 6,798.60 | 71.65 |
| Total Turnover | 9,488.97 | 100.00 |

c. Rationale for the Scheme of Arrangement for Demerger:

- The Demerged Company has two identified business verticals namely Domestic Division (Domestic business) and Export Division (B2B business). Over the period both the verticals of Demerged Company have grown to a substantial level. Both the verticals have their own strengths and business dynamics. It has been realized by the Board of the Demerged Company that the commercial activities of the two verticals are distinct and diverse from each other. In order to ensure sustainable long term growth, profitability, market share and continuous customer service both require focused management attention, different sets of skills and resources to meet competitive, regulatory environment and to mitigate risks. With these objectives in mind, it is proposed to Demerge the “Export Division” of the Company into separate entity.
- The dynamic and diversified nature of the industry in which the Company operates and external factors including performance of financial markets, exchange or interest rate fluctuations, business environment and government policies etc. have varied effects on the growth prospects of the two verticals of the Company. Thus, the Demerged Company would be able to revise its business plans and priorities from time to time, thereby ensuring speedy and profitable growth of the two businesses and enhance shareholder’s wealth.
- It is being felt that each of the business vertical has the potential of being developed into a parallel, scaleable and independently profitable business but, requires focused management and long term business plan. Further, economic environments, capital market dynamics, the investors’ community for the two divisions i.e. ‘Domestic Division’ and ‘Export Division’ are



different. Thus, to ensure better focus of management for the growth of both the divisions, to create independent legal entities for each division, to enable each of the businesses to achieve optimum level, the Board of the Company is of the opinion that a Scheme of Arrangement for Demerger of 'Export Division' from PCJL and consequently amalgamating the same with Resulting Company would be beneficial to the shareholders, creditors, employees and all the stakeholders at large.

- In consideration of the Demerger of the 'Export Division' all the shareholders of PCJL will get shares of the Resulting Company on the basis of share entitlement ratio, as defined in the Scheme of Arrangement and the Shares of the Resulting Company will also be listed as per the provisions of this Scheme and subject to the applicable compliances and regulatory approvals. Thus, the Scheme will enable creation of an independent listed company with replica shareholding structure with the 'Export Division' business. 'Domestic Division' with domestic business (Remaining Business) would continue to be carried on in the Demerged Company.
- It is believed that the proposed segregation will enhance value for shareholders as there would be absolute clarity to the Investors on the business profile of PCJL and the Resulting Company.

Further, the listing of the equity shares of Resulting Company on the stock exchanges on which shares of the Demerged company are listed would help the shareholders of the Demerged Company to unlock the value of their shareholding.

d. Brief details of change in shareholding pattern (if any) of both the entities:

Pre and Post Shareholding Pattern of the Demerged Company:

| Particulars | Pre-Arrangement (% Shareholding) | Post-Arrangement (% Shareholding) |
|----------------|-------------------------------------|--------------------------------------|
| Promoters | 57.59 | 57.59 |
| Non- Promoters | 42.41 | 42.41 |
| Total | 100.00 | 100.00 |

Pre and Post Shareholding Pattern of the Resulting Company:

| Particulars | Pre-Arrangement (% Shareholding) | Post-Arrangement (% Shareholding) |
|----------------|-------------------------------------|--------------------------------------|
| Promoters | 100.00* | 57.59 |
| Non- Promoters | - | 42.41 |
| Total | 100.00 | 100.00 |

**Currently the Resulting Company is wholly owned subsidiary of Demerged Company.*

e. Share Entitlement Ratio for Demerger:

The Scheme provides for the Share Entitlement Ratio of 1 equity share of the face value of Rs.10/- (Rupees Ten) each of Resulting Company for every 1 equity share of Rs.10/- (Rupees Ten) each held by equity shareholders of Demerged Company as on the Record Date.



f. Whether listing would be sought for the Resulting Entity:

Yes, the Scheme proposes that subject to the compliance of applicable provisions of Securities Contract (Regulations) Rules, 1957 and the Circulars issued there under by SEBI and also subject to the Listing Regulations of the Stock Exchanges, the shares of the Resulting Company, would be listed on BSE Limited and National Stock Exchange of India Limited.

