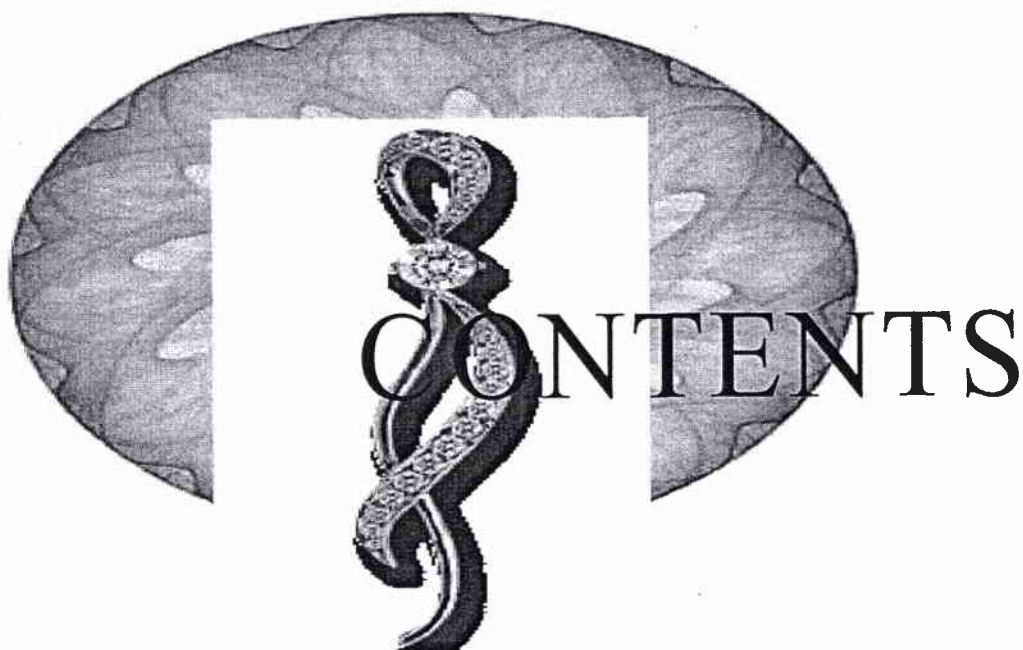


GITANJALI GEMS LIMITED

ANNUAL REPORT

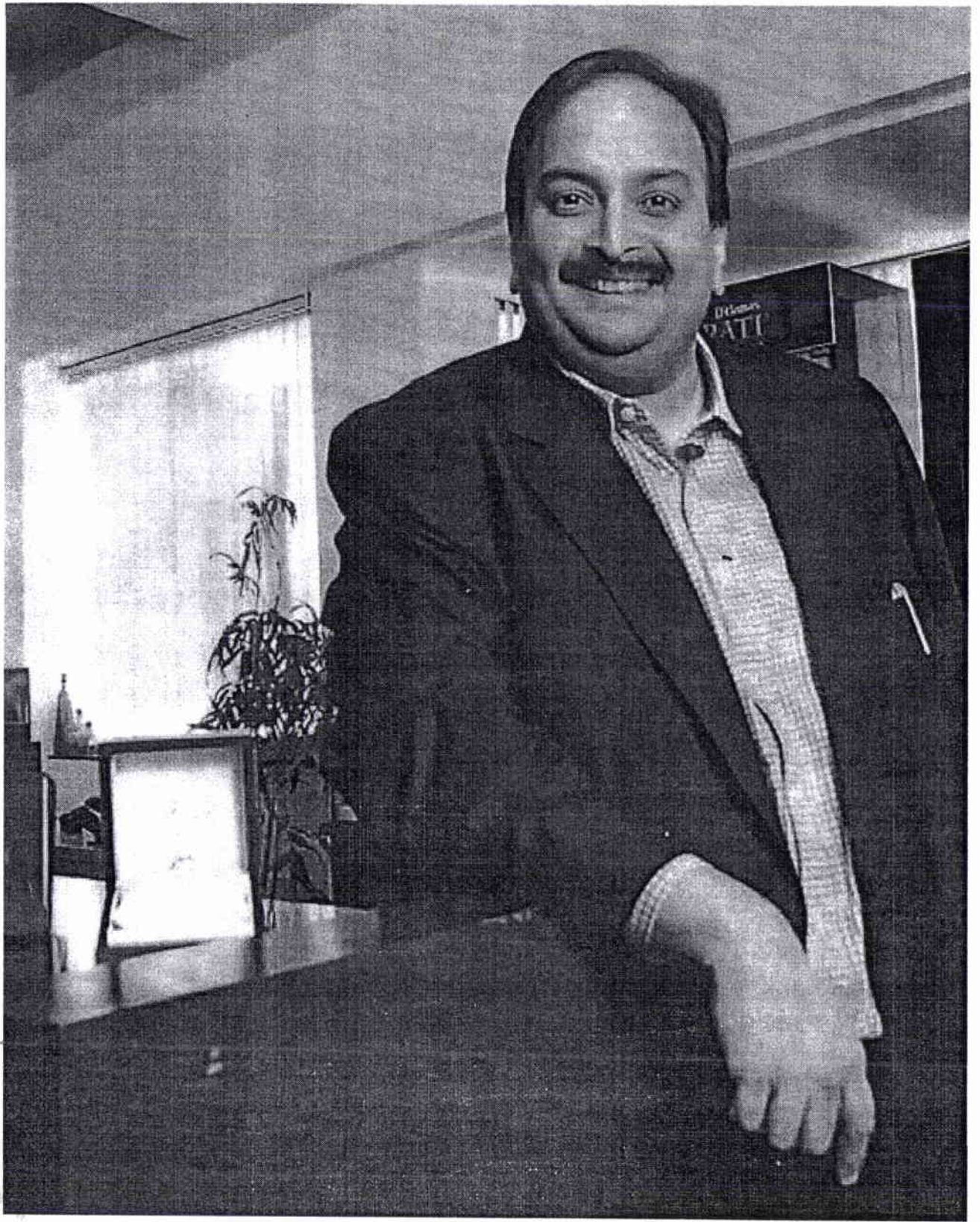
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CHAIRMAN'S

Letter

TO SHAREHOLDERS

GREETINGS FROM GITANJALI! IT IS A YEAR SINCE I HAD THE PLEASURE OF WRITING TO YOU. THE YEAR HAS PASSED BY SO QUICKLY, ALMOST LIKE THE TURN OF THE KALEIDOSCOPE.

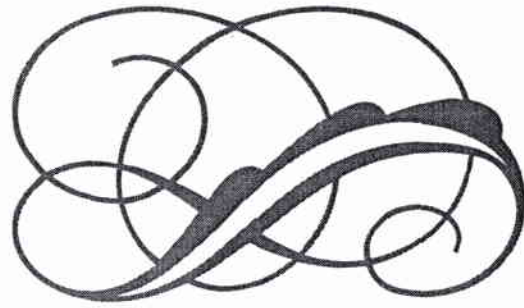
Fleeting images of events that occurred this year appear on my mind screen. Looking back is a neglected art when your company is rushing towards a radiant future. But I recount these events to share the joys of success, and to invite you to experience our quite sense of optimism for the future. So, let the reminiscence begin... Circa 2006, the kaleidoscope turned...

- Your company expanded its retail footprint in the world's most lucrative jewellery market – USA.
- Our acquisition of Samuels Jewellers brought us a retail chain of jewellery stores numbering 100 spread across 18 states of USA! The eighth largest jewellery retail chain in the USA is now part of Gitanjali group. This brings us unprecedented access to the American jewellery buyers.
- Our retail network now comprises of 1,100 stores!
- We also launched a major new brand – Maya – a collection of 22k gold jewellery from the consolidated platform of Speakgold by the World Gold Council.
- We have also acquired a majority interest in Tri-Star Worldwide owners of the Canadia® brand of diamonds from Canada. This adds a recognized brand and a new source of raw diamonds to our enterprise.
- We have continued our investment to set up global quality infrastructure for the diamond and jewellery industry. Our construction work for the building up of Gems & Jewellery SEZ's continues through Gitanjali and its subsidiary companies.
- We set up a subsidiary – Gitanjali Lifestyles Ltd to build and promote luxury malls across the country.



OUR BUSINESS IS **FAST REACHING** THE TIPPING POINT, A
JUNCTURE WHERE ALL THE SYNERGIES WE HAVE BUILT OVER THE
YEARS COMBINE TO **CREATE WEALTH** THAT IS MUCH BEYOND
THE SUM OF OUR INPUTS.





We have consolidated our business by increasing our stakes in GILI India Ltd and D'Damas Jewellery (India) Pvt Ltd, effectively making them subsidiaries.

Apart from these new initiatives, your company has continually focused on strengthening our flagship brands and extending their franchise. The emerging structure of our enterprise will be structured along four distinctive lines of business- Diamonds and Processing, Jewellery manufacture/ exports/retail, Luxury Lifestyle brands and Infrastructure development.

The results of our endeavours are evident in the financial results – our topline has improved 36 per cent, where as our profits improved by 118 per cent as compared to the figures in the last year. We have proposed a dividend of Rs. 1.50 per share.

Our business is fast reaching the tipping point, a juncture where all the synergies we have built over the years combine to create wealth that is much beyond the sum of our inputs.

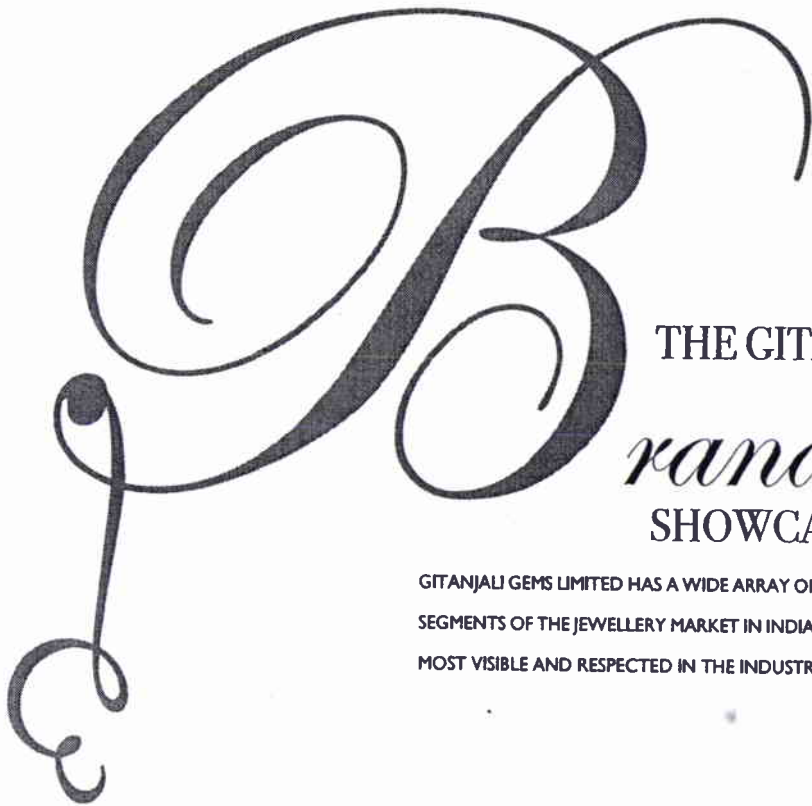
But that is a design for the future, a design that will become apparent only on the next twist of the Kaleidoscope!

It is that future that we hurtle towards.

Bright, Brilliant and prosperous.

I leave you with this vision.
Warm regards,

Mehul C. Choksi
Chairman



THE GITANJALI *Brand* SHOWCASE

GITANJALI GEMS LIMITED HAS A WIDE ARRAY OF BRANDS, WHICH CATER TO ALL SEGMENTS OF THE JEWELLERY MARKET IN INDIA. ITS BRANDS ARE AMONGST THE MOST VISIBLE AND RESPECTED IN THE INDUSTRY.



D'damas D'Damas

Launched In 2003 by Gemplus and Damas, the leading jewellery retailer from the Middle East. **The brand D' Damas speaks about luxury and high aspirations**, bestowing on the wearer an aura of exclusivity and refinement. **The brand targets the wedding segment** and caters to the mid market segment. **Contemporary collection** of branded gold and diamond jewellery. **Combines** international quality with Indian values. **D'damas' vast repertoire of sub brands** and jewellery collections offer every customer a choice that reflects her personality and taste, while blending into occasion. **There are various sub-brands** and collections under the umbrella brand of D'damas

