

**FORD, RHODES, PARKS & CO.**  
CHARTERED ACCOUNTANTS

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**AUDITOR'S REPORT ON LIMITED REVIEW**

We have reviewed the accompanying statement of unaudited consolidated financial results of Gitanjali Gems Limited and its subsidiaries (together, "the Group") for the quarter ending June 30, 2015 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our review conclusion, attention is invited to:-

- a) Note No 2 relating to overdrawn and nonpayment of interest and charges on bank facilities for Quarter ending 30th June 2015.
- b) Note No 3 relating to outstanding Income tax, TDS, VAT & Service tax.
- c) Note No. 4 relating to creation of Cash Reserve against Non – Convertible debentures maturing during the year
- d) Note No. 6 relating to overdue interest, Charges and installments of ECB and Non convertible Debentures.

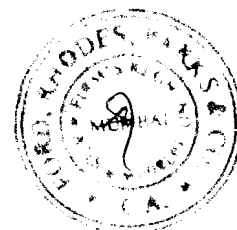
The above points are referred in detail as part of notes to the results.

Except for the possible effect of the matters referred to in above paragraph, based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Ford, Rhodes, Parks & Co.  
Chartered Accountants  
ICAI Firm Registration No.102860W



A.D. Shenoy  
Partner  
Membership No.11549



Dated: August 14, 2015  
Place: Mumbai

# GITANJALI

## Unaudited consolidated financial results for the year quarter ended 30th June, 2015 Profit & Loss statement

(Rs. in Lacs)

Particulars	Quarter ended			Year ended
	30.06.2015	31.03.2015	30.06.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Audited
<b>PART - I</b>				
<b>1 Income from Operations</b>				
(a) Net Sales / income from Operations	284,510.69	348,737.13	207,286.87	1,148,106.16
(b) Other operating income				
<b>Total income from operations (net)</b>	<b>284,510.69</b>	<b>348,737.13</b>	<b>207,286.87</b>	<b>1,148,106.16</b>
<b>2 Expenses</b>				
a) Cost of materials consumed / Purchase of stock-in-trade	280,219.39	352,604.93	187,945.20	1,144,979.91
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(24,826.84)	(36,849.32)	(19,864.38)	(166,332.84)
c) Employee benefits expense	6,284.91	5,957.87	6,172.75	27,599.74
d) Depreciation & amortisation expense	745.17	1,967.23	742.85	4,688.68
e) Other expenses	9,822.82	(926.78)	10,040.24	40,789.87
<b>Total Expenses</b>	<b>272,245.45</b>	<b>322,753.93</b>	<b>185,036.66</b>	<b>1,051,725.36</b>
<b>3 Profit from Operations before other income, finance costs and exceptional items (1-2)</b>	<b>12,265.24</b>	<b>25,983.20</b>	<b>22,250.21</b>	<b>96,380.80</b>
4 Other income	10,756.59	(3,893.37)	872.93	9,852.85
<b>5 Profit from Ordinary activities before finance costs and exceptional items (3+4)</b>	<b>23,021.83</b>	<b>22,089.83</b>	<b>23,123.14</b>	<b>106,233.65</b>
<b>6 Finance costs</b>				
Interest cost	19,438.65	19,911.02	19,960.26	87,939.78
Others	1,199.48	494.85	849.12	2,476.47
<b>7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>2,383.70</b>	<b>1,683.96</b>	<b>2,313.76</b>	<b>15,817.40</b>
8 Exceptional items	-	(6,185.73)	(1,020.11)	(6,975.65)
<b>9 Profit from ordinary activities before tax (7+8)</b>	<b>2,383.70</b>	<b>(4,501.77)</b>	<b>1,293.65</b>	<b>8,841.75</b>
10 Tax expense				
- Income Tax	663.53	(1,763.53)	656.40	858.42
- MAT	(614.59)	1,276.10	(454.25)	(780.19)
- Deferred Tax	64.32	(256.00)	18.01	(194.64)
<b>11 Net Profit from ordinary activities after tax (9-10)</b>	<b>2,270.44</b>	<b>(3,758.34)</b>	<b>1,073.49</b>	<b>8,958.16</b>
12 Extraordinary items (net of tax expense)	-	-	-	-
<b>13 Net Profit for the period (11-12)</b>	<b>2,270.44</b>	<b>(3,758.34)</b>	<b>1,073.49</b>	<b>8,958.16</b>
14 Share of profit / (Loss) of associates	(43.94)	(219.55)	-	(219.55)
15 Minority interest	(578.72)	(1,076.76)	58.13	(811.09)
<b>16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)</b>	<b>2,805.22</b>	<b>(2,901.13)</b>	<b>1,015.36</b>	<b>9,549.70</b>
17 Paid-up equity share capital	9,812.05	9,812.05	9,812.05	9,812.05
Face value of the share	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				401,838.63
<b>19 Earnings per share (before extraordinary items)</b>				
a) Basic	2.86	(2.99)	1.08	9.84
b) Diluted	2.70	(2.96)	1.08	9.73
<b>20 Earnings per share (after extraordinary items)</b>				
a) Basic	2.86	(2.99)	1.08	9.84
b) Diluted	2.70	(2.96)	1.08	9.73
<b>PART - II</b>				
<b>A PARTICULARS OF SHAREHOLDING</b>				
1 Public Shareholding				
- Number of shares	63,575,545	63,525,747	62,721,380	63,525,747
- Percentage of shareholding	64.79	64.74	63.92	64.74
2 Promoters and Promoter Group Shareholding				
a) Pledged / Encumbered				
- Number of shares	29,539,990	29,664,788	6,977,611	29,664,788
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	85.51	85.75	19.71	85.75
- Percentage of shares (as a % of the total share capital of the company)	30.11	30.23	7.11	30.23
b) Non - encumbered				
- Number of shares	5,004,916	4,929,916	28,421,460	4,929,916
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	14.49	14.25	80.29	14.25
- Percentage of shares (as a % of the total share capital of the company)	5.10	5.02	28.97	5.02
<b>B INVESTOR COMPLAINTS (during the quarter)</b>				
	Opening	Additions	Disposals	Closing
Number of complaints	0	4	4	0

Gitanjali Gems Limited

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CIN - L36911MH1986PLC040689



# GITANJALI

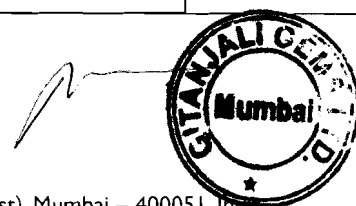
## Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

### A) Primary Segment (By Business Segment)

Particulars	Quarter ended			Year ended
	30.06.2015	31.03.2015	30.06.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Audited
	(Rs. in Lacs)			
1. Segment Revenue				
a) Segment - Diamond	84,867.05	142,532.13	83,800.90	422,621.54
b) Segment - Jewellery	216,461.93	237,329.19	129,902.54	786,072.10
c) Segment - Others	627.00	832.43	1,211.95	2,771.11
Total	301,955.98	380,693.75	214,915.39	1,211,464.75
Less: Inter Segment Revenue	17,445.29	31,956.62	7,628.52	63,358.59
<b>Net Sales / Income from Operations</b>	<b>284,510.69</b>	<b>348,737.13</b>	<b>207,286.87</b>	<b>1,148,106.16</b>
2. Segment Results				
Profit / (Loss ) before tax and interest from each segment				
a) Segment - Diamond	300.00	2,191.71	3,759.12	10,803.63
b) Segment - Jewellery	22,836.75	19,588.33	19,965.24	96,049.29
c) Segment - Others	(114.92)	309.79	(601.22)	(619.27)
Total	23,021.83	22,089.83	23,123.14	106,233.65
Less				
Finance cost	20,638.13	20,405.87	20,809.38	90,416.25
<b>Total profit before exceptional item &amp; tax</b>	<b>2,383.70</b>	<b>1,683.96</b>	<b>2,313.76</b>	<b>15,817.40</b>
3. Capital Employed				
a) Segment - Diamond	154,419.82	145,894.43	152,625.52	145,894.43
b) Segment - Jewellery	261,938.81	257,137.05	244,175.80	257,137.05
c) Unallocated net assets	6,775.74	12,880.65	6,537.47	12,880.65
<b>Total</b>	<b>423,134.37</b>	<b>415,912.13</b>	<b>403,338.79</b>	<b>415,912.13</b>

### B) Secondary Segment (By Geographical Segment)

Particulars	Quarter ended			Year ended
	30.06.2015	31.03.2015	30.06.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Audited
	(Rs. in Lacs)			
Segment Revenue				
India	109,625.71	201,049.41	85,724.44	537,433.78
Rest of the world	174,884.98	147,687.72	121,562.43	610,672.38
<b>Total Revenue</b>	<b>284,510.69</b>	<b>348,737.13</b>	<b>207,286.87</b>	<b>1,148,106.16</b>



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# Gitanjali Gems Limited

## Notes:

1. The above consolidated unaudited financial results for the quarter ended June 30, 2015 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 14, 2015.
2. The business of the Group continues to be impacted due to regulatory restrictions on import of gold & unfavorable INR Vs USD Currency fluctuation. The consortium bankers have assessed enhanced working capital requirements and the sanctions are awaited with modified terms. The company's request for substitution of security and release of cash margin is accepted by the consortium of banks and on providing alternate collateral securities to banks, cash margin and collaterals amounting to Rs Rs. 109.12 crs would be released by the bank which will cover the overdrawn from Banks. The Group's over drawn position in the working capital account as on June 30, 2015 amounted to about Rs. 86.29 Crores which is mainly on account of non servicing of interest and charges.
3. As on date the Group has not paid self assessment tax totaling about Rs. 46.02 crores. Besides the income tax liability, the Group has also to pay VAT, Service Tax and Advance Tax, TDS Totaling about to Rs. 10.99 crores.
4. Due to the liquidity constrains, Cash reserve remains to be created by the Company against Non – Convertible debentures maturing during the year.
5. At the Meeting of Board of Directors of the Company held on April 21, 2015, the Board has approved the "Scheme of Amalgamation" [Scheme] under Section 391 to 394 of the Companies Act, 1956 and relevant Sections of the Companies Act 2013, to the extent applicable, for amalgamation of Gitanjali Exports Corporation Limited (GECL), a wholly owned subsidiary with the Company, subject to the approval of the Scheme by Stock Exchanges, Shareholders and Creditors of the respective Companies, Hon. Bombay High Court and subject to approval of any other statutory authorities as may be required. Once sanctioned, the Scheme will be effective from the appointed date i.e. April 1, 2014.

At the Meeting of Board of Directors of the respective Companies held on April 21, 2015, the Board the respective Companies have approved the "Scheme of Amalgamation" [Scheme] under Section 391 to 394 of the Companies Act, 1956 and relevant Sections of the Companies Act 2013, to the extent applicable, for amalgamation of Merger of Asmi Jewellery India Limited and Spectrum Jewellery Limited with Nakshatra Brands Limited and Merger of Gitanjali Jewellery Retail Limited and Gitanjali Lifestyle Limited with GILI India Limited, subject to the approval of the Scheme by Hon. Bombay High Court and subject to approval of any other statutory authorities as may be required. Once sanctioned, the Scheme will be effective from the appointed date i.e. April 1, 2014.

6. In respect of Long Term Borrowings, the outstanding overdue position as per existing terms is as follows;

(Rs in Crores)		
Nature of Loan	Principal Amount	Interest & charges
ECB – IDBI	-	9.75
NCD – LIC	4.36	-

Promoter has requested to adjust Rs. 4.50 crs being monies refundable to him by LIC towards Company's dues in respect of NCD.



## Gitanjali Gems Limited

7. The Group has identified two major reportable segments: Diamond business and Jewellery business.
8. The Group has opted to publish consolidated financial results from the financial year 2014-15. Consolidated and Standalone financial results are available at the website of the Company: [www.gitanjalicompany.com](http://www.gitanjalicompany.com), stock exchanges: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
9. Except for Audited figures for 12 month period i.e. April 2014 to March 2015, EPS is not annualized.
10. Previous period figures have been regrouped / rearranged, wherever necessary to conform to the current period's classification.

For Gitanjali Gems Limited



Mehul C. Choksi  
Chairman & Managing Director



Place: Mumbai  
Date: August 14, 2015