

FORD, RHODES, PARKS & CO.
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312/313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI-400 088

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P. O. BOX NO 307, MUMBAI-400 001

Auditor's Report On Year to date Financial Results of the Company Pursuant to the
Clause 41 of the Listing Agreement

To,
Board of Directors of Gitanjali Gems Limited

We have audited the year to date financial results of the Gitanjali Gems Limited for the period April 1,2010 to March 31,2011 attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement 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 year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

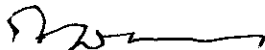
We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us this year to date financial results:

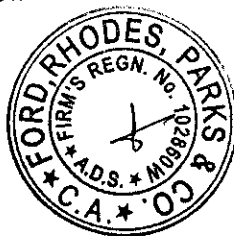
- (i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year to date results for the period from April 1,2010 to March 31,2011.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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



A.D. Shenoy
Partner
Membership Number : 11549
Mumbai
Date : 27th May, 2011



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Auditor's Report On Consolidated Year to Date Results of the Company Pursuant to the
Clause 41 of the Listing Agreement

To
Board of Directors of Gitanjali Gems Limited

We have audited the Year to date consolidated financial results of Gitanjali Gems Limited for the period April 1, 2010 to March 31, 2011 attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement 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. These Year to date consolidated financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India⁸ and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of 5 (Five) subsidiaries and 1 (One) Step Down Joint Ventures, included in the consolidated year to date financial results, whose consolidated interim financial statements reflect total assets of Rs 24,664.68 lacs as at March 31, 2011; as well as the total revenue of Rs 72,818.60 lacs for the period April 1, 2010 to March 31, 2011. These interim financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the Year to date financial results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

We have relied on the unaudited financial statements of 11 (Eleven) subsidiaries and 1 (One) Step Down Joint Venture, included in the consolidated year to date financial results, whose consolidated interim financial statements reflect total assets of Rs 1,11,128.63 lacs as at March 31, 2011, as well as the total revenue of Rs 1,50,582.18 lacs for the period April 1, 2010 to March 31, 2011. These interim financial statements and other financial information as approved by the Board of Directors, have been furnished to us by the Management, and our opinion on the Year to date financial results, to the extent they have been derived from such interim financial statements is based solely on such approved unaudited financial statements.



FORD, RHODES, PARKS & CO.

In our opinion and to the best of our information and according to the explanations given to us these Year to date financial results:

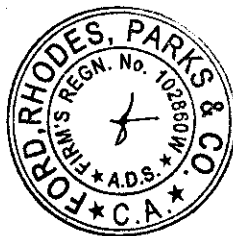
- (i) include the financial results of the entities (Annexure - 1),
- (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the year to date results for the period from April 1,2010 to March 31,2011.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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



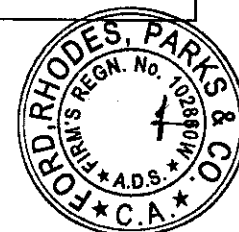
A.D. Shenoy
Partner
Membership Number : 11549



Mumbai
Date : 27th May, 2011

FORD, RHODES, PARKS & CO.

Annexure - 1		
Sr. No	Name of the Company	Relationship
1	Asmi Jewellery India Limited (Formerly known as Asmi Jewellery India Private Limited)	Subsidiary
2	Bezel India Private Limited	Subsidiary
3	Brightest Circle Jewellery Limited (Formerly known as Brightest Circle Jewellery Private Limited)	Subsidiary
4	CRIA Jewellery Private Limited	Subsidiary
5	D'Damas Jewellery (India) Private Limited	Subsidiary
6	Decent Securities & Finance Private Limited	Subsidiary
7	Eureka Finstock Private Limited	Subsidiary
8	Giantii Italia SRL	Subsidiary
9	Gilli India Limited	Subsidiary
10	Gitanjali Brands Limited (Formerly known as Fantasy Jewellery Private Limited)	Subsidiary
11	Gitanjali Exports Corporation Limited	Subsidiary
12	Gitanjali Infratech Limited	Subsidiary
13	Gitanjali Jewellery Retail Private Limited	Subsidiary
14	Gitanjali Lifestyle Limited	Subsidiary
15	Gitanjali Resources	Subsidiary
16	Gitanjali Retail Ventures Limited	Subsidiary
17	Gitanjali USA, Inc.	Subsidiary
18	Gitanjali Ventures DMCC	Subsidiary
19	Hyderabad Gems SEZ Limited	Subsidiary
20	Mehul Impex Limited	Subsidiary
21	MMTC Gitanjali Private Limited	Subsidiary
22	Modali Gems Private Limited	Subsidiary
23	Mohar Jewels Limited	Subsidiary
24	Nashik Multi Services SEZ Limited	Subsidiary
25	Raigad Gems SEZ Limited	Subsidiary
26	Samuels Jewelers, Inc.	Subsidiary
27	Shubalavanya Jewel Crafts Private Limited	Subsidiary
28	Spectrum Jewellery Limited (Formerly known as Spectrum Jewellery Private Limited)	Subsidiary
29	West Bengal SEZ Limited	Subsidiary
30	Alliance Jewelleries Private Limited	Step Down Subsidiary
31	Diamlink Inc	Step Down Subsidiary
32	Hoop Retail Ventures Private Limited	Step Down Subsidiary
33	Kolkata Axis Mall Limited	Step Down Subsidiary
34	Lucera Retail Venture Private Limited	Step Down Subsidiary
35	Pink Jewellery Private Limited	Step Down Subsidiary
36	Salasar Retail Limited	Step Down Subsidiary
37	Trinity Expositions Private Limited	Step Down Subsidiary
38	Tri-star Worldwide LLC	Step Down Subsidiary
39	Diamlink Jewellery Inc	Step - Step Down Subsidiary
40	Jewelry Marketing Company LLC	Step - Step - Step Down Subsidiary
41	LIOW Holdings, LLC	Step - Step - Step Down Subsidiary
42	Diadem Ranka Desire Lifestyles Pvt. Ltd.	Step down Joint Venture
43	Mannat Jewellery Manufacturing Private Limited	Step Down Joint Venture



GITANJALI

Audited Financial Results for Year Ended 31.03.2011

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	Audited year ended	Audited year ended	Audited year ended	Audited year ended
	March 31,	March 31,	March 31,	March 31,
	2011	2010	2011	2010
1 Net Sales / Income from Operations	5,12,247.19	3,35,497.03	9,45,640.18	6,52,763.36
2 Expenditure				
a) (Increase)/decrease in stock in trade and work in progress	(31,609.34)	(3,124.27)	(79,336.13)	(11,176.52)
b) Consumption of raw material / Purchase of traded goods	5,00,818.56	3,09,532.13	8,99,271.43	5,63,704.86
c) Employees Cost	2,479.74	1,504.94	21,662.11	20,910.20
d) Depreciation & Amortization	335.63	394.15	5,637.16	4,454.12
e) Other expenditure	7,371.51	2,160.13	42,612.03	35,412.04
f) Total	4,79,396.10	3,10,467.08	8,89,846.60	6,13,304.70
3 Profit from Operations before Interest & Exceptional Item (1-2)	32,851.09	25,029.95	55,793.58	39,458.66
4 Other Income	79.81	17.08	1,599.39	258.31
5 Profit before Interest & Exceptional Item (3+4)	32,930.89	25,047.03	57,392.97	39,716.97
6 Interest (net)	10,034.37	10,111.44	20,872.05	17,243.08
7 Profit after Interest but before Exceptional Item (5-6)	22,896.53	14,935.59	36,520.92	22,473.89
8 Exceptional items	-	-	1,806.71	-
9 Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	22,896.53	14,935.59	38,327.63	22,473.89
10 Tax expense				
- Provision for Income Tax	450.00	716.96	4,041.32	2,442.04
- Provision for Deferred Tax	(13.77)	9.47	(1,370.14)	(123.04)
- Provision for Fringe Benefit Tax	-	-	-	(0.02)
11 Net Profit (+)/ Loss (-) From Ordinary Activities after tax (9-10)	22,460.30	14,209.16	35,656.45	20,154.91
12 Extraordinary Item (net of tax expense)	-	-	-	-
13 Net Profit (+)/ Loss (-) after Extra Ordinary Item (11-12)	22,460.30	14,209.16	35,656.45	20,154.91
14 a) Minority Interest	-	-	175.39	137.76
b) Share of Associate companies	-	-	-	-
15 Net Profit (+)/ Loss (-) for the period (13-14)	22,460.30	14,209.16	35,481.06	20,017.15
16 Paid-up equity share capital	8,487.16	8,427.00	8,487.16	8,427.00
Face Value of the share	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-
17 Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year	2,15,937.32	1,95,172.85	2,43,249.80	2,09,996.41
18 Earnings per Share (EPS)				
a) Basic EPS for the period, for the year to date and for the previous year	26.46	16.84	41.81	23.73
b) Diluted EPS for the period, for the year to date and for the previous year	22.84	14.53	35.95	20.35
19 Debt Equity Ratio (Refer Note)	0.20	0.22		
20 Debt Service Coverage Ratio (Refer Note)	0.75	-		
21 Interest Service Coverage Ratio (Refer Note)	17.86	16.00		
22 Public Shareholding				
Number of shares	3,84,23,138	4,08,92,384	3,84,23,138	4,08,92,384
Percentage of shareholding	45.27	48.53	45.27	48.53
23 Promoters and promoter group Shareholding				
a) Pledged / Encumbered				
- Number of shares	93,74,000.00	Nil	93,74,000.00	Nil
- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)	20.18	-	20.18	-
- Percentage of shares (as a % of the total share capital of the company)	11.05	-	11.05	-
b) Non - encumbered				
- Number of shares	3,70,74,460.00	4,33,77,616.00	3,70,74,460.00	4,33,77,616.00
- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)	79.82	100.00	79.82	100.00
c) Total	43.68	51.47	43.68	51.47

Gitanjali Gems Limited



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Tel. : +91-22-4010 2000 / 4010 2001

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GITANJALI

Segmentwise Reporting Revenue, Results and Capital Employed

A) Primary Segment (By Business Segment)

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	Audited year ended March 31,	Audited year ended March 31,	Audited year ended March 31,	Audited year ended March 31,
	2011	2010	2011	2010
1. Segment Revenue				
a) Segment - Diamond	3,37,660.18	2,14,392.34	4,79,585.67	3,19,761.05
b) Segment - Jewellery	1,78,442.63	1,26,265.95	5,01,496.94	3,63,331.79
c) Segment - Others			2,122.68	789.51
Total	5,16,102.81	3,40,658.28	9,83,205.29	6,83,882.35
Less: Inter Segment Revenue	3,855.62	5,161.25	37,565.11	31,118.99
Net Sales / Income from Operations	5,12,247.19	3,35,497.03	9,45,640.18	6,52,763.36
2. Segment Results				
Profit / (Loss) before tax and interest from each segment				
a) Segment - Diamond	14,300.77	7,006.46	19,454.58	10,231.21
b) Segment - Jewellery	19,160.22	15,196.03	42,458.87	27,391.77
c) Segment - Others			(2,183.68)	(750.55)
Total	33,460.99	22,202.49	59,729.77	36,872.43
Less				
i) Interest	10,034.37	10,111.44	20,872.05	17,243.08
ii) Other Un-allocable expenses	530.09	(2,844.54)	530.09	(2,844.54)
Total Profit Before Tax	22,896.53	14,935.59	38,327.63	22,473.89
3. Capital Employed				
a) Segment - Diamond	74,620.34	63,367.92	1,02,604.29	94,852.69
b) Segment - Jewellery	53,711.19	46,310.13	1,50,053.09	1,12,722.85
c) Unallocated net assets	97,321.22	95,150.08	307.86	12,076.13
Total	2,25,652.75	2,04,828.12	2,52,965.23	2,19,651.67

B) Secondary Segment (By Geographical Segment)

Segment Revenue

(Rs in Lacs)

Particulars	Audited year ended March 31,	Audited year ended March 31,	Audited year ended March 31,	Audited year ended March 31,
	2011	2010	2011	2010
	India	2,05,893.34	1,56,171.19	3,86,035.89
Rest of the world	3,06,353.85	1,79,325.84	5,59,604.29	3,92,261.67
Total Revenue	5,12,247.19	3,35,497.03	9,45,640.18	6,52,763.36



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GITANJALI

(Rs. In Lacs.)

Particulars	Standalone		Consolidated	
	As at 31-03-2011 (Audited)	As at 31-03-2010 (Audited)	As at 31-03-2011 (Audited)	As at 31-03-2010 (Audited)
Shareholders' Funds:				
a. Share Capital	8,487.16	8,427.00	8,487.16	8,427.00
b. Reserves and Surplus	2,17,165.58	1,96,401.12	2,44,478.06	2,11,224.68
Minority Interest	0.00	0.00	5,023.91	4,830.50
Loan Funds	1,88,191.27	1,59,563.28	3,04,734.25	2,87,174.97
Deferred Tax Liability	78.37	92.14	0.00	0.00
Total	4,13,922.38	3,64,483.54	5,62,723.38	5,11,657.14
Fixed Assets	5,804.59	5,988.31	30,508.01	28,062.93
Investments	96,626.15	89,852.40	4,292.84	3,618.34
Deferred Tax Assets	0.00	0.00	1,610.97	185.29
Goodwill	0.00	0.00	6,504.67	9,071.96
Current Assets, Loans And Advances				
a. Inventories	1,10,538.73	78,923.68	2,90,128.46	2,07,938.74
b. Sundry Debtors	2,23,965.08	1,81,421.58	4,01,952.00	3,25,074.60
c. Cash and Bank Balances	26,071.51	13,462.05	43,932.27	23,855.02
d. Loans and Advances	84,340.60	62,133.67	43,904.51	61,060.41
Less: Current Liabilities and Provisions				
a. Liabilities	1,25,039.75	60,443.89	2,44,039.92	1,36,453.61
b. Provisions	8,384.53	6,854.26	16,070.43	10,758.36
Misc. Expenditure (not Written Off Or Adjusted)	0.00	0.00	0.00	1.82
Total	4,13,922.38	3,64,483.54	5,62,723.38	5,11,657.14

By Order of the Board of Directors
For Gitanjali Gems Limited


Mehul C. Choksi
Chairman and Managing Director

Place: Mumbai
Date: May 27, 2011



Gitanjali Gems Limited

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Gitanjali Gems Limited

Notes:-

1. The above audited standalone and consolidated results have been reviewed by Audit Committee and approved at the meeting of the Board of Directors held on May 27, 2011.
2. The Board has recommended final dividend of Rs. 3 per share on equity shares of Rs. 10 each (30%) for the financial year ended 2010-11 subject to the approval of shareholders at the ensuing Annual General Meeting.
3. The wholly Owned Subsidiaries of the Company Viz. Nanded SEZ Limited, Aurangabad SEZ Limited and Nagpur Multi Product SEZ Limited has been struck off the register of ROC, Mumbai under Easy Exit Scheme, 2011 w.e.f. March 21, 2011.
4. As a part of restructuring,
 - (a) Pink Jewellery Private Limited and Alliance Jewelleries Private Limited, Step Down Subsidiaries of the Company has been merged w.e.f. April 1, 2010 vide Honorable Bombay High court order dated April 15, 2011 with Brightest Circle Jewellery Limited which is a wholly owned subsidiary of the Company and
 - (b) Trinity Expositions Private Limited, Hoop Retail Ventures Private Limited and Lucera Retail Venture Private Limited, Step Down Subsidiaries of the Company has been merged w.e.f. April 1, 2008 vide Honorable Bombay High court order dated May 6, 2011 with Gitanjali Lifestyle Limited which is a wholly owned subsidiary of the Company.
5. Formulas used for computation of the ratios:
 - (a) Debt Equity Ratio: Debt/ Tangible net - worth
 - (b) Debt Service Coverage Ratio: Profit before interest and depreciation/ Principal Repayment Plus Interest Payment
 - (c) Interest Service Coverage Ratio: Earning Before Interest and Tax/ Interest payable on debt.

Debt includes Long Term Debt i.e. Non Convertible Debentures and Foreign Currency Convertible Bonds (excluding Redemption Premium)
6. As on March 31, 2011, the net GDR proceeds of USD 0.06583 million were kept in deposits with overseas banks pending utilization.
7. Exceptional item in the consolidated financial statement represents inventory adjustment in one of the Subsidiary Company on account of income tax survey.
8. Investors' complaints received and disposed off during the quarter ended March 31, 2011 are as follows:

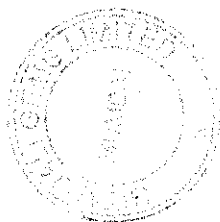
Complaints pending at the beginning of the quarter	Nil
Complaints received during the quarter	6
Disposal of complaints	6
Unresolved complaints at the end of the quarter	Nil



Gitanjali Gems Limited

9. The Company has identified two major reportable segments - viz. Diamond business and Jewellery business.

10. Previous period figures have been regrouped / rearranged, wherever necessary.



Place: Mumbai
Date: May 27, 2011

For **GITANJALI GEMS LIMITED**


MEHUL C. CHOKSI
CHAIRMAN & MANAGING DIRECTOR