

FORD, RHODES, PARKS & CO.
CHARTERED ACCOUNTANTS

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

To

Board of Directors of Gitanjali Gems Limited

We have audited consolidated quarterly financial results of Gitanjali Gems Limited for the quarter ended March 31, 2015 and the consolidated Year to date financial results for the period April 1, 2014 to March 31, 2015 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 consolidated Quarterly financial results and consolidated Year to date 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 per section 133 of the Companies Act, 2013 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

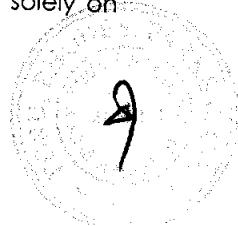
We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, 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.

We did not audit the financial statements of 5 (Five) Subsidiaries included in the consolidated year to date financial results, whose consolidated interim financial statements reflect total assets of Rs 176,488.12 lacs as at March 31, 2015; as well as the total revenue from sales of Rs 139,525.78 lacs for the year April 1, 2014 to March 31, 2015. 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 13 (Thirteen) subsidiaries, included in the consolidated year to date financial results, whose consolidated interim financial statements reflect total assets of Rs 409,495.10 lacs as at March 31, 2015, as well as the total revenue from sales of Rs 302,237.29 lacs for the year April 1, 2014 to March 31, 2015. 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.

Without qualifying our opinion, attention is invited to:-

- a) Note No 3 relating to negative networth of few subsidiaries.
- b) Note No 5 relating to outstanding Income tax dues and other statutory dues.
- c) Note No. 6 relating to overdue position of Non Convertible Debentures (NCD). The



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Company has not created cash reserves on NCD.

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

Except for the possible effect of the matters referred to in above paragraph, in our opinion and to the best of our information and according to the explanations given to us these Year to date financial results:

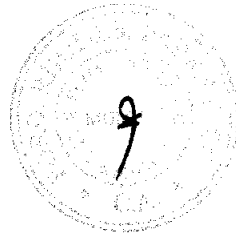
- (i) include the financial results of the entities as per Annexure - 1,
- (ii) have been presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the year to date results for the year from April 1,2014 to March 31,2015.

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 traced 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
ICAI Firm Registration No. 102860W



A.D. Shenoy
Partner
Membership Number: 11549



Mumbai
Date: May 29, 2015

Annexure - 1		
S. N.	Company Name	Relationship (Direct & Indirect)
1	Gitanjali Exports Corporation Limited	Subsidiary company
2	eGitanjali Limited	Associate Company
3	Gitanjali Infratech Limited	Subsidiary company
4	Hyderabad Gems SEZ Limited	Subsidiary company
5	Nashik Multi Services SEZ Limited	Subsidiary company
6	Eureka Finstock Private Limited	Subsidiary company
7	N&J Finstocks Private Limited	Subsidiary company
8	Decent Securifies & Finance Private Limited	Subsidiary company
9	Gitanjali Jewellery Retail Limited	Subsidiary company
10	Decent Investment & Finance Private Limited	Subsidiary company
11	MMTC Gitanjali Limited	Subsidiary company
12	Gitanjali Lifestyle Limited	Subsidiary company
13	Maya Retail Limited	Subsidiary company
14	Mobile Nxt Teleservices Private Limited	Subsidiary company
15	Gitanjali Brands Limited	Subsidiary company
16	Nakshatra Brands Limited	Subsidiary company
17	D'Damas Jewellery (India) Private Limited	Subsidiary company
18	Gili India Limited	Subsidiary company
19	Asmi Jewellery India Limited	Subsidiary company
20	Spectrum Jewellery Limited	Subsidiary company
21	Aston Luxury Group Ltd	Subsidiary company
22	Crown Aim Limited	Subsidiary company
23	Leading Jewels of Japan KK	Subsidiary company
24	Leading Italian Jewels SRL	Subsidiary company
25	Gitanjali Resources BVBA	Subsidiary company
26	Samuels Jewelers Inc.	Subsidiary company
27	Gitanjali USA, Inc.	Subsidiary company
28	Diamlink Inc & Subsidiaries	Subsidiary company
29	Tristar Worldwide LLC	Subsidiary company
30	GGL Diamond LLC	Subsidiary company
31	Gitanjali Ventures DMCC	Subsidiary company
32	Abbeycrest Thailand	Subsidiary company
33	Giantti Jewellery (Shanghai) Co Ltd	Subsidiary company
34	Tianxin Diamonds (Shanghai) Co Ltd	Subsidiary company



GITANJALI

Gitanjali Gems Ltd.

Audited consolidated financial results for the year ended 31st March, 2015
Profit & Loss statement

(Rs. in Lacs)

Particulars	Quarter ended			Year ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	Unaudited	Unaudited	Unaudited	Audited	Audited
PART - I					
1 Income from Operations					
(a) Net Sales / Income from Operations	348,737.13	344,971.27	275,350.43	1,148,106.16	1,243,600.03
(b) Other operating Income	-	-	-	-	-
Total income from operations (net)	348,737.13	344,971.27	275,350.43	1,148,106.16	1,243,600.03
2 Expenses					
a) Cost of materials consumed / Purchase of stock-in-trade	352,604.93	378,460.88	260,029.01	1,144,979.91	952,568.80
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(36,849.32)	(82,967.47)	(19,292.66)	(166,332.84)	94,475.84
c) Employee benefits expense	5,957.87	7,780.32	5,434.78	27,599.74	27,133.10
d) Depreciation & amortisation expense	1,967.23	929.37	1,458.57	4,688.68	3,827.33
e) Other expenses	(926.78)	19,652.89	18,926.15	40,789.87	99,022.88
Total Expenses	322,753.93	323,855.99	266,555.85	1,051,725.36	1,177,027.95
3 Profit from Operations before other income, finance costs and exceptional items (1-2)	25,983.20	21,115.28	8,794.58	96,380.80	66,572.08
4 Other income	(3,893.37)	15,497.78	1,184.38	9,852.85	10,754.82
5 Profit from Ordinary activities before finance costs and exceptional items (3+4)	22,089.83	36,613.06	9,978.96	106,233.65	77,326.90
6 Finance costs					
Interest cost	19,911.02	26,232.58	19,458.30	87,939.78	70,491.26
Others	494.85	747.83	363.19	2,476.47	3,140.20
7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)	1,683.96	9,632.65	(9,842.53)	15,817.40	3,695.44
8 Exceptional items	(6,185.73)	(13.95)	(73.47)	(6,975.65)	(73.47)
9 Profit from ordinary activities before tax (7+8)	(4,501.77)	9,618.70	(9,916.00)	8,841.75	3,621.97
10 Tax expense					
- Income Tax	(1,763.53)	666.41	(1,114.45)	858.42	769.37
- MAT	1,276.10	(730.22)	749.31	(780.19)	(374.60)
- Deferred Tax	(256.00)	(19.16)	(421.13)	(194.64)	(367.10)
11 Net Profit from ordinary activities after tax (9-10)	(3,758.34)	9,701.67	(9,129.73)	8,958.16	3,594.30
12 Extraordinary items (net of tax expense)	-	-	-	-	-
13 Net Profit for the period (11-12)	(3,758.34)	9,701.67	(9,129.73)	8,958.16	3,594.30
14 Share of profit / (Loss) of associates	(219.55)	-	-	(219.55)	-
15 Minority interest	(1,076.76)	100.00	(140.66)	(811.09)	242.10
16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)	(2,901.13)	9,601.67	(8,989.07)	9,549.70	3,352.20
17 Paid-up equity share capital Face value of the share	9,812.05 Rs. 10/-	9,812.05 Rs. 10/-	9,206.55 Rs. 10/-	9,812.05 Rs. 10/-	9,206.55 Rs. 10/-
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				401,838.63	385,212.98
19 Earnings per share (before extraordinary items)					
a) Basic	(2.99)	9.93	(9.76)	9.84	3.64
b) Diluted	(2.96)	9.93	(9.12)	9.73	3.40
20 Earnings per share (after extraordinary items)					
a) Basic	(2.99)	9.93	(9.76)	9.84	3.64
b) Diluted	(2.96)	9.93	(9.12)	9.73	3.40
PART - II					
A PARTICULARS OF SHAREHOLDING					
1 Public Shareholding					
- Number of shares	63,525,747	63,513,945	56,605,756	63,525,747	56,605,756
- Percentage of shareholding	64.74	64.73	61.48	64.74	61.48
2 Promoters and Promoter Group Shareholding					
a) Pledged / Encumbered					
- Number of shares	29,664,788	15,048,555	7,038,275	29,664,788	7,038,275
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	85.75	43.48	19.85	85.75	19.85
- Percentage of shares (as a % of the total share capital of the company)	30.23	15.34	7.64	30.23	7.64
b) Non - encumbered					
- Number of shares	4,929,916	19,557,951	28,421,460	4,929,916	28,421,460
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	14.25	56.52	80.15	14.25	80.15
- Percentage of shares (as a % of the total share capital of the company)	5.02	84.66	30.87	5.02	30.87
B INVESTOR COMPLAINTS (during the quarter)					
	Opening	Additions	Disposals	Closing	
Number of complaints	0	5	5	0	



GITANJALI

Gitanjali Gems Ltd.

Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

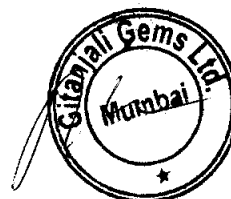
A) Primary Segment (By Business Segment)

(Rs. in Lacs)

Particulars	Quarter ended			Year ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	Unaudited	Unaudited	Unaudited	Audited	Audited
1. Segment Revenue					
a) Segment - Diamond	142,532.13	102,081.21	125,762.54	422,621.54	719,157.92
b) Segment - Jewellery	237,329.19	252,939.88	154,805.53	786,072.10	652,043.27
c) Segment - Others	832.43	360.32	2,959.97	2,771.11	7,363.32
Total	380,693.75	355,381.41	283,528.04	1,211,464.75	1,378,564.51
Less: Inter Segment Revenue	31,956.62	10,410.14	8,177.61	63,358.59	134,964.48
Net Sales / Income from Operations	348,737.13	344,971.27	275,350.43	1,148,106.16	1,243,600.03
2. Segment Results					
Profit / (Loss) before tax and interest from each segment					
a) Segment - Diamond	2,191.71	2,540.58	6,087.18	10,803.63	34,668.58
b) Segment - Jewellery	19,588.33	34,297.17	5,183.89	96,049.29	44,769.79
c) Segment - Others	309.79	(224.69)	(1,292.11)	(619.27)	(2,111.47)
Total	22,089.83	36,613.06	9,978.96	106,233.65	77,326.90
Less Finance cost	20,405.87	26,980.41	19,821.49	90,416.25	73,631.46
Total profit before exceptional item & tax	1,683.96	9,632.65	(9,842.53)	15,817.40	3,695.44
3. Capital Employed					
a) Segment - Diamond	145,894.43	133,984.84	156,835.98	145,894.43	156,835.98
b) Segment - Jewellery	257,137.05	279,943.58	228,642.04	257,137.05	228,642.04
c) Unallocated net assets	12,880.65	4,095.96	8,941.50	12,880.65	8,941.50
Total	415,912.13	418,024.38	394,419.52	415,912.13	394,419.52

B) Secondary Segment (By Geographical Segment)

Particulars	Quarter ended			Year ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	Unaudited	Unaudited	Unaudited	Audited	Audited
Segment Revenue					
India	201,049.41	165,291.32	141,791.17	537,433.78	510,548.89
Rest of the world	147,687.72	179,679.95	133,559.26	610,672.38	733,051.14
Total Revenue	348,737.13	344,971.27	275,350.43	1,148,106.16	1,243,600.03



Gitanjali Gems Limited

Registered Office: A-1, 7th Floor, Laxmi Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, India

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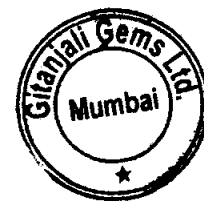
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Statement of Assets and Liabilities

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	9,812.05	9,206.55	9,812.05	9,206.55
(b) Reserves and surplus	277,354.08	272,173.17	401,838.63	385,212.98
(c) Money received against share warrants	4,261.45		4,261.45	-
Sub-total - Shareholders' funds	291,427.58	281,379.72	415,912.13	394,419.53
2 Minority interest	-	-	5,286.95	6,096.44
3 Non-current liabilities				
(a) Long-term borrowings	67,706.78	63,717.87	76,673.48	74,269.37
(b) Deferred tax liabilities (net)	31.28	63.66	-	-
(c) Other long-term liabilities	-	-	8,667.84	10,103.29
(d) Long-term provisions	319.53	275.87	2,502.63	1,380.00
Sub-total - Non-current liabilities	68,057.59	64,057.40	87,843.95	85,752.66
4 Current liabilities				
(a) Short-term borrowings	435,743.55	421,513.38	794,814.62	763,200.58
(b) Trade payables	144,071.69	66,372.81	338,642.54	166,019.35
(c) Other current liabilities	12,222.22	25,860.63	36,042.15	50,680.46
(d) Short-term provisions	45.92	56.20	2,252.39	3,258.51
Sub-total - Current liabilities	592,083.38	513,803.02	1,171,751.70	983,158.90
TOTAL - EQUITY AND LIABILITIES	951,568.55	859,240.14	1,680,794.73	1,469,427.53
B ASSETS				
1 Non-current assets				
(a) Fixed assets	2,690.49	3,050.42	27,501.71	31,788.24
(b) Goodwill on consolidation	-	-	19,932.76	9,002.40
(c) Non-current investments	141,466.16	141,479.57	5,443.43	8,590.00
(d) Deferred tax assets (net)	-	-	2,199.32	1,943.44
(e) Long-term loans and advances & other non-current assets	27,823.94	28,773.42	47,155.97	39,927.33
Sub-total - Non-current assets	171,980.59	173,303.41	102,233.19	91,251.41
2 Current assets				
(a) Current investments	-	-	-	-
(b) Inventories	202,585.33	101,674.71	519,531.60	350,301.31
(c) Trade receivables	542,379.91	524,586.26	991,579.31	948,403.35
(d) Cash and cash equivalents	7,010.90	13,049.30	26,085.82	35,542.99
(e) Short-term loans and advances & Other current assets	27,611.82	46,626.46	41,364.81	43,928.47
Sub-total - Current assets	779,587.96	685,936.73	1,578,561.54	1,378,176.12
TOTAL - ASSETS	951,568.55	859,240.14	1,680,794.73	1,469,427.53



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CIN No - L36911MH1986PLC040689

Gitanjali Gems Limited

Notes:

1. The above consolidated audited financial results for the year ended March 31, 2015 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 29, 2015.
2. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of fixed assets whose lives have expired as at 1st April 2014 have been adjusted, in the Profit and Loss Account.
3. In respect of thirteen subsidiaries having negative networth, these being strategic investments, the holding company along with the management of respective subsidiaries are considering various options for reviving and making them viable. In view of this the accounts of these subsidiaries as on March 31, 2015 have been prepared on going concern basis and no provision for impairment is considered. The total investment value of these subsidiaries is Rs. 204.96 Crores as on March 31, 2015.
4. The business of the Group continues to be impacted due to regulatory restrictions on import of gold. The consortium bankers have assessed enhanced working capital requirements and the sanctions are awaited with modified terms. The Group's over drawn position in the working capital account as on March 31, 2015 amounted to around Rs. 129.30 crores which is mainly on account of charging of interest on working capital facilities at higher rates than rates agreed by some of the consortium member banks. The Company has contested charging of interest at higher rates.
5. As on date the Group has not paid self assessment tax totaling around Rs. 45.42 crores (approx). Besides the income tax liability, the Group has also to pay VAT, Service Tax and Advance Tax, TDS Totaling to Rs. 11.91 crores.
6. The Non – Convertible debentures (NCD) has been rephased. As at 31st March 2015, the dues of Rs. 2.44 crores are overdue.
7. 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 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 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.



Gitanjali Gems Limited

8. The Group has identified two major reportable segments: Diamond business and Jewellery business.
9. The Group has opted to publish consolidated financial results from the financial year 2014-15. Consolidated financial results are available at the website of the Company: www.gitanjaligroup.com, stock exchanges: www.bseindia.com and www.nseindia.com.
10. Except for Audited figures for 12 month period i.e. April 2014 to March 2015, EPS is not annualized.
11. 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: May 29, 2015