

FORD, RHODES, PARKS & CO.
CHARTERED ACCOUNTANTS

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

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AUDITOR'S REPORT ON LIMITED REVIEW

We have reviewed the accompanying statement of unaudited financial results of Gitanjali Gems Limited for the second quarter and half year ended September 30, 2009. 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.

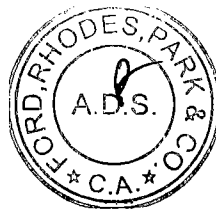
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited 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



A.D. Shenoy
Partner
Membership No. 11549



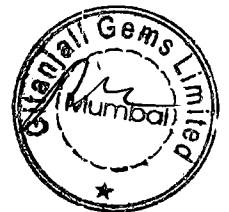
Dated: 29th October, 2009
Place: Mumbai

GITANJALI

Unaudited Standalone Financial Results for the quarter and half year ended 30th September, 2009

(Rs. in Lacs)

Particulars	Unaudited quarter ended September 30,	Unaudited quarter ended September 30,	Unaudited half year ended September 30,	Unaudited half year ended September 30,	Audited year ended March 31,
	2009	2008	2009	2008	2009
1 Net Sales / Income from Operations	95,889.55	72,826.71	168,734.30	143,969.62	269,384.70
2 Expenditure					
a) (Increase)/Decrease in stock in trade and work in progress	5,503.26	2,329.23	9,402.02	(2,251.62)	(24,756.75)
b) Consumption of raw material / Purchase of traded goods	83,311.68	63,553.95	144,714.47	133,162.91	267,757.26
c) Employees Cost	369.65	393.56	708.49	696.50	1,584.64
d) Depreciation	94.97	102.69	187.07	202.92	433.61
e) Other expenditure	267.96	1,456.22	1,365.66	2,965.94	6,781.77
f) Total	89,547.52	67,835.65	156,377.71	134,776.65	251,800.53
3 Profit from Operations before Other Income, Interest & Exceptional Item (1-2)	6,342.03	4,991.06	12,356.59	9,192.97	17,584.17
4 Other Income	-	(11.89)	-	0.82	21.74
5 Profit before Interest & Exceptional Item (3+4)	6,342.03	4,979.17	12,356.59	9,193.79	17,605.91
6 Interest (net)	2,504.69	981.38	4,605.48	1,525.42	4,533.91
7 Profit after Interest but before Exceptional Item (5-6)	3,837.34	3,997.79	7,751.11	7,668.37	13,072.00
8 Exceptional items	-	-	-	-	-
9 Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	3,837.34	3,997.79	7,751.11	7,668.37	13,072.00
10 Tax expense					
- Provision for Income Tax	90.00	470.00	200.00	780.00	350.00
- Provision for Deferred Tax	8.47	3.71	15.80	7.07	25.00
- Provision for Fringe Benefit Tax	-	4.16	-	7.25	20.12
11 Net Profit (+)/ Loss (-) From Ordinary Activities after tax (9-10)	3,738.87	3,519.92	7,535.31	6,874.05	12,676.88
12 Extraordinary Item (net of tax expense)	-	-	-	-	-
13 Net Profit (+)/ Loss (-) for the period (11-12)	3,738.87	3,519.92	7,535.31	6,874.05	12,676.88
14 Paid-up equity share capital Face Value of the share	8,484.89 Rs. 10/-	8,506.29 Rs. 10/-	8,484.89 Rs. 10/-	8,506.29 Rs. 10/-	8,506.29 Rs. 10/-
15 Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year					180,655.63
16 Earnings per Share (EPS)					
a) Basic EPS for the period, for the year to date and for the previous year	4.40	4.14	8.86	8.08	14.90
b) Diluted EPS for the period, for the year to date and for the previous year	3.80	3.75	7.73	7.21	12.91
17 Public Shareholding					
Number of shares	37,003,536	37,667,167	37,003,536	37,667,167	36,432,667
Percentage of shareholding	43.59	44.28	43.59	44.28	42.83
18 Promoters and promoter group Shareholding					
a) Pledged / Encumbered					
- Number of shares	Nil	-	Nil	-	Nil
- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
b) Non - encumbered					
- Number of shares	43,377,616.00	-	43,377,616.00	-	43,377,616.00
- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)	100.00	-	100.00	-	100.00
- Percentage of shares (as a % of the total share capital of the company)	51.10	-	51.10	-	50.99



Gitanjali Gems Limited

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GITANJALI

Segmentwise Reporting Revenue, Results and Capital Employed

A) Primary Segment (By Business Segment)

(Rs. in Lacs)

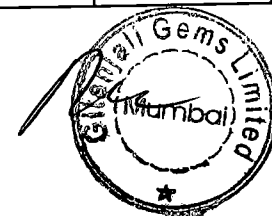
Particulars	Unaudited quarter ended September 30,	Unaudited quarter ended September 30,	Unaudited half year ended September 30,	Unaudited half year ended September 30,	Audited year ended March 31,
	2009	2008	2009	2008	2009
1. Segment Revenue					
a) Segment - Diamond	58,518.38	46,337.58	104,683.36	97,476.64	171,960.59
b) Segment - Jewellery	38,406.28	30,226.29	65,951.84	53,146.99	107,974.28
Total	96,924.66	76,563.87	170,635.20	150,623.63	279,934.87
Less: Inter Segment Revenue	1,035.11	3,737.16	1,900.90	6,654.01	10,550.17
Net Sales / Income from Operations	95,889.55	72,826.71	168,734.30	143,969.62	269,384.70
2. Segment Results					
Profit / (Loss) before tax and interest from each segment					
a) Segment - Diamond	2,030.15	1,231.56	3,694.90	3,286.95	4,150.26
b) Segment - Jewellery	4,143.47	4,419.46	8,249.66	7,275.70	15,809.96
Total	6,173.62	5,651.02	11,944.56	10,562.65	19,960.22
Less					
i) Interest	2,504.69	981.38	4,605.48	1,525.42	4,533.91
ii) Other Un-allocable expenses	(168.41)	671.85	(412.03)	1,368.86	2,354.31
Total Profit Before Tax	3,837.34	3,997.79	7,751.11	7,668.37	13,072.00
3. Capital Employed					
a) Segment - Diamond	67,909.51	58,169.38	67,909.51	58,169.38	68,689.81
b) Segment - Jewellery	39,159.08	22,857.71	39,159.08	22,857.71	29,614.37
c) Unallocated net assets	93,729.37	107,229.70	93,729.37	107,229.70	93,977.74
Total	200,797.96	188,256.79	200,797.96	188,256.79	192,281.92

B) Secondary Segment (By Geographical Segment)

Segment Revenue

(Rs in Lacs)

Particulars	Unaudited quarter ended September 30,	Unaudited quarter ended September 30,	Unaudited half year ended September 30,	Unaudited half year ended September 30,	Audited year ended March 31,
	2009	2008	2009	2008	2009
India	46,649.43	31,666.77	86,576.70	68,792.91	127,491.78
Rest of the world	49,240.12	41,159.94	82,157.60	75,176.71	141,892.92
Total Revenue	95,889.55	72,826.71	168,734.30	143,969.62	269,384.70



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We have reviewed the accompanying statement of unaudited consolidated financial results of Gitanjali Gems Limited for the second quarter and half year ended September 30, 2009. 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.

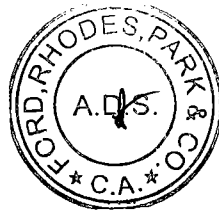
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial 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.

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



A.D. Shenoy
Partner
Membership No. 11549



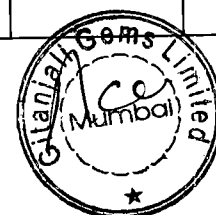
Dated: 29th October, 2009
Place: Mumbai

GITANJALI

Unaudited Consolidated Financial Results for the quarter and half year ended 30th September, 2009

(Rs. in Lacs)

Particulars	Unaudited quarter ended September 30,	Unaudited quarter ended September 30,	Unaudited half year ended September 30,	Unaudited half year ended September 30,	Audited year ended March 31,
	2009	2008	2009	2008	2009
1 Net Sales / Income from Operations	175,773.42	129,148.93	310,989.82	250,962.99	508,887.58
2 Expenditure	2,861.30	(7,959.98)	8,235.80	(26,878.88)	(61,143.41)
a) (Increase)/Decrease in stock in trade and work in progress	148,044.91	113,916.07	257,497.78	235,498.32	484,970.32
b) Consumption of raw material / Purchase of traded goods	5,555.18	5,894.27	10,142.21	10,806.89	21,657.86
c) Employees Cost	750.31	975.06	1,475.21	1,724.62	3,359.58
d) Depreciation	7,956.80	8,862.04	14,403.94	15,720.11	34,637.10
e) Other expenditure	165,168.50	121,687.46	291,754.94	236,871.06	483,481.45
f) Total	10,604.92	7,461.47	19,234.88	14,091.93	25,406.13
3 Profit from Operations before Interest & Exceptional Item (1-2)	26.93	(60.95)	82.77	48.09	223.63
4 Other Income	10,631.85	7,400.52	19,317.65	14,140.02	25,629.76
5 Profit before Interest & Exceptional Item (3+4)	4,336.47	1,745.77	7,931.94	3,268.89	9,784.04
6 Interest (net)	6,295.38	5,654.75	11,385.71	10,871.13	15,845.72
7 Profit after Interest but before Exceptional Item (5-6)	-	-	-	-	-
8 Exceptional items	6,295.38	5,654.75	11,385.71	10,871.13	15,845.72
9 Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	733.26	736.57	1,249.26	1,204.27	1,296.10
10 Tax expense	8.56	13.24	15.97	17.91	(1,087.66)
- Provision for Income Tax	-	9.65	-	14.76	109.36
- Provision for Deferred Tax	-	-	-	-	-
- Provision for Fringe Benefit Tax	5,553.56	4,895.29	10,120.48	9,634.19	15,527.92
11 Net Profit (+)/ Loss (-) From Ordinary Activities after tax (9-10)	-	-	-	-	-
12 Extraordinary Item (net of tax expense)	5,553.56	4,895.29	10,120.48	9,634.19	15,527.92
13 Net Profit (+)/ Loss (-) after Extra Ordinary Item (11-12)	279.62	31.25	301.75	592.80	469.61
14 a) Minority Interest	-	-	-	-	-
b) Share of Associate companies	5,273.94	4,864.04	9,818.73	9,041.39	15,058.31
15 Net Profit (+)/ Loss (-) for the period (13-14)	8,484.89	8,506.29	8,484.89	8,506.29	8,506.29
16 Paid-up equity share capital	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-
Face Value of the share	-	-	-	-	196,244.20
17 Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year	-	-	-	-	-
18 Earnings per Share (EPS)	6.20	5.72	11.55	10.63	17.70
a) Basic EPS for the period, for the year to date and for the previous year	5.33	5.14	10.01	9.44	15.34
b) Diluted EPS for the period, for the year to date and for the previous year	37,003,536	37,667,167	37,003,536	37,667,167	36,432,667
19 Public Shareholding	43.59	44.28	43.59	44.28	42.83
Number of shares	-	-	-	-	-
Percentage of shareholding	Nil	-	Nil	-	Nil
20 Promoters and promoter group Shareholding	-	-	-	-	-
a) Pledged / Encumbered	-	-	-	-	-
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	43,377,616	-	43,377,616	-	43,377,616
b) Non - encumbered	100.00	-	100.00	-	100.00
- Number of shares	51.10	-	51.10	-	50.99
- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-



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GITANJALI

Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

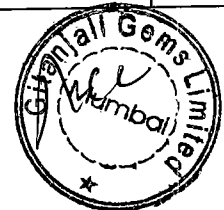
A) Primary Segment (By Business Segment)

Particulars	Unaudited quarter ended September 30,	Unaudited quarter ended September 30,	Unaudited half year ended September 30,	Unaudited half year ended September 30,	Audited year ended March 31,
	2009	2008	2009	2008	2009
1. Segment Revenue					
a) Segment - Diamond	91,074.47	72,341.16	163,453.17	148,830.15	273,403.68
b) Segment - Jewellery	94,496.14	72,221.21	160,832.99	120,463.13	270,513.35
c) Segment - Others	13.63	519.85	21.35	519.85	113.24
Total	185,584.24	145,082.22	324,307.51	269,813.13	544,030.27
Less: Inter Segment Revenue	9,810.82	15,933.29	13,317.69	18,850.14	35,142.69
Net Sales / Income from Operations	175,773.42	129,148.93	310,989.82	250,962.99	508,887.58
2. Segment Results					
Profit / (Loss) before tax and interest from each segment					
a) Segment - Diamond	3,222.50	2,446.36	5,729.60	5,476.77	7,155.33
b) Segment - Jewellery	7,523.64	5,887.73	13,613.50	9,933.13	21,940.42
c) Segment - Others	(562.32)	(292.97)	(739.23)	(493.82)	(1,581.29)
Total	10,183.82	8,041.12	18,603.87	14,916.08	27,514.46
Less					
i) Interest	4,336.47	1,745.77	7,931.94	3,268.89	9,784.04
ii) Other Un-allocable expenses	(168.41)	671.85	(412.03)	1,368.86	2,354.31
Total Profit Before Tax	6,015.76	5,623.50	11,083.96	10,278.33	15,376.11
3. Capital Employed					
a) Segment - Diamond	93,806.58	83,811.78	93,806.58	83,811.78	91,007.16
b) Segment - Jewellery	102,108.02	74,767.95	102,108.02	74,767.95	93,841.15
c) Unallocated net assets	34,430.21	48,756.44	34,430.21	48,756.44	34,697.04
Total	230,344.81	207,336.17	230,344.81	207,336.17	219,545.35

B) Secondary Segment (By Geographical Segment)

Segment Revenue

Particulars	Unaudited quarter ended September 30,	Unaudited quarter ended September 30,	Unaudited half year ended September 30,	Unaudited half year ended September 30,	Audited year ended March 31,
	2009	2008	2009	2008	2009
India	71,674.30	44,127.89	125,829.09	89,634.27	188,302.54
Rest of the world	104,099.12	85,021.04	185,160.73	161,328.72	320,585.04
Total Revenue	175,773.42	129,148.93	310,989.82	250,962.99	508,887.58



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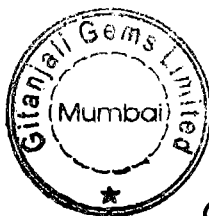
Notes:-

1. The above Unaudited Financial Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on October 29, 2009 and the same has been subjected to a Limited Review by the Statutory Auditors of the Company.
2. The balance net FCCB proceeds of USD 2.00 million as on June 30, 2009 continued to be as deposit with banks, pending utilization as on September 30, 2009.
3. From the balance net GDR proceeds of USD 10.335 million as on June 30, 2009, during the quarter, the company utilized USD 5.000 million towards its stated objects and as on September 30, 2009, the balance proceeds of USD 5.335 million are kept in deposits with overseas banks pending utilization.
4. The Company had allotted 10 million convertible warrants on February 21, 2008 to its Promoter & Promoter group. Since, the said warrant holders have consented to rescind their rights for conversion of such convertible warrants into equity shares, during the quarter, the company forfeited the upfront money of Rs. 312.00 million.
5. In terms of approval given by Securities Exchange Board of India, the company commenced its buyback from the open market. The company as on September 30, 2009 has bought back 213,993 equity shares at an average price of Rs. 115.67 per equity share of Rs. 10/- each.
6. Investors' complaints received and disposed off during the quarter ended September 30, 2009 are as follows:

Complaints pending at the beginning of the quarter	Nil
Complaints received during the quarter	4
Disposal of complaints	4
Unresolved complaints at the end of the quarter	Nil

7. The Company has identified two major reportable segments - viz. Diamond business and Jewellery business.
8. Except for the 12 month period, EPS is not annualized.
9. Previous period figures have been regrouped / rearranged, wherever necessary.

For GITANJALI GEMS LIMITED



MEHUL C. CHOKSI
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: October 29, 2009