

**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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**AUDITOR'S REPORT ON LIMITED REVIEW**

We have reviewed the accompanying statement of unaudited consolidated financial results of Gitanjali Gems Limited for the quarter ended September 30, 2012 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.

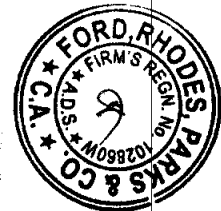
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial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

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  
Firm Registration No.102860W



A.D. Shenoy  
Partner  
Membership No.11549



Dated: 9<sup>th</sup> November, 2012  
Place: Mumbai

# GITANJALI

## Statement of unaudited consolidated financial results for the quarter and half-year ended September 30, 2012 Profit & Loss statement

(Rs. in Lacs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Income from Operations</b>						
(a) Net Sales / Income from Operations	392,825.10	338,473.41	297,211.16	731,298.51	554,836.42	1,249,827.67
(b) Other operating income	-	-	-	-	-	-
<b>Total income from operations (net)</b>	<b>392,825.10</b>	<b>338,473.41</b>	<b>297,211.16</b>	<b>731,298.51</b>	<b>554,836.42</b>	<b>1,249,827.67</b>
<b>2 Expenses</b>						
a) Cost of materials consumed / Purchase of stock-in-trade	374,954.93	274,341.16	280,365.84	649,296.09	482,868.98	959,045.09
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(33,017.91)	15,896.42	(25,250.70)	(17,121.49)	(12,473.60)	108,135.55
c) Employee benefits expense	7,392.36	7,214.85	6,853.23	14,607.21	12,348.08	25,531.20
d) Depreciation & amortisation expense	821.36	711.62	808.30	1,532.98	1,483.85	2,947.03
e) Other expenses	19,267.09	19,011.10	12,696.42	38,278.19	29,560.58	76,358.00
<b>Total Expenses</b>	<b>369,417.83</b>	<b>317,175.15</b>	<b>275,473.09</b>	<b>686,592.98</b>	<b>513,787.89</b>	<b>1,172,016.87</b>
<b>3 Profit from Operations before other income, finance costs and exceptional items (1-2)</b>	<b>23,407.27</b>	<b>21,298.26</b>	<b>21,738.07</b>	<b>44,705.53</b>	<b>41,048.53</b>	<b>77,810.80</b>
4 Other income	2,896.92	5,618.23	411.74	8,515.15	1,828.23	7,811.93
<b>5 Profit from Ordinary activities before finance costs and exceptional items (3+4)</b>	<b>26,304.19</b>	<b>26,916.49</b>	<b>22,149.81</b>	<b>53,220.68</b>	<b>42,876.76</b>	<b>85,622.73</b>
<b>6 Finance costs</b>						
Interest cost	9,293.02	9,228.49	6,729.85	18,521.51	12,747.59	27,874.97
Others	885.75	1,665.50	1,325.44	2,551.26	2,206.75	5,898.73
<b>7 Profit from Ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>16,125.42</b>	<b>16,022.50</b>	<b>14,094.52</b>	<b>32,147.91</b>	<b>27,922.42</b>	<b>51,849.03</b>
8 Exceptional items	-	-	503.66	-	503.66	505.45
<b>9 Profit from ordinary activities before tax (7+8)</b>	<b>16,125.42</b>	<b>16,022.50</b>	<b>14,598.18</b>	<b>32,147.91</b>	<b>28,426.08</b>	<b>52,354.48</b>
10 Tax expense						
- Income Tax	2,755.17	3,136.62	2,510.26	5,891.79	5,342.29	9,205.22
- MAT	(1,968.00)	(2,245.20)	(1,321.86)	(4,213.20)	(2,698.39)	(6,012.72)
- Deferred Tax	(14.49)	41.80	(0.27)	27.31	4.10	211.93
<b>11 Net Profit from ordinary activities after tax (9-10)</b>	<b>15,352.74</b>	<b>15,089.28</b>	<b>13,410.05</b>	<b>30,442.01</b>	<b>25,778.08</b>	<b>48,950.05</b>
12 Extraordinary items (net of tax expense)	-	-	-	-	-	-
<b>13 Net Profit for the period (11-12)</b>	<b>15,352.74</b>	<b>15,089.28</b>	<b>13,410.05</b>	<b>30,442.01</b>	<b>25,778.08</b>	<b>48,950.05</b>
14 Share of profit / (Loss) of associates	-	-	-	-	-	-
15 Minority interest	186.83	191.74	185.50	378.57	230.41	224.96
<b>16 Net Profit after taxes, minority interest and share of profit / (Loss) of associates (13+14-15)</b>	<b>15,165.91</b>	<b>14,897.54</b>	<b>13,224.55</b>	<b>30,063.44</b>	<b>25,547.67</b>	<b>48,725.09</b>
17 Paid-up equity share capital	9,206.55	9,112.21	8,631.95	9,206.55	8,631.95	9,112.21
Face value of the share	Rs. 10/-	Rs 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-	Rs. 10/-
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						<b>300,856.56</b>
<b>19 Earnings per share (before extraordinary items)</b>						
a) Basic	16.59	16.35	15.54	32.88	30.03	55.51
b) Diluted	16.59	16.18	13.55	32.88	26.20	55.40
<b>20 Earnings per share (after extraordinary items)</b>						
a) Basic	16.59	16.35	15.54	32.88	30.03	55.51
b) Diluted	16.59	16.18	13.55	32.88	26.20	55.40
<b>PARTICULARS OF SHAREHOLDING</b>						
21 Public Shareholding						
- Number of shares	37,749,375	37,559,979	40,121,050	37,749,375	40,121,050	40,885,576
- Percentage of shareholding	41.00	41.22	46.48	41.00	46.48	44.87
22 Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	25,680,392	25,050,392	8,654,000	25,680,392	8,654,000	18,138,833
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	47.28	46.77	18.73	47.28	18.73	36.11
- Percentage of shares (as a % of the total share capital of the company)	27.89	27.49	10.03	27.89	10.03	19.91
b) Non - encumbered						
- Number of shares	28,635,724	28,511,724	37,544,460	28,635,724	37,544,460	32,097,686
- Percentage of shares (as a % of the total shareholding of Promoter and Promoter group)	52.72	53.23	81.27	52.72	81.27	63.89
- Percentage of shares (as a % of the total share capital of the company)	31.10	31.29	43.49	31.10	43.49	35.22

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**Corporate Office:**  
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# GITANJALI

## Unaudited Consolidated Segmentwise Reporting Revenue, Results and Capital Employed

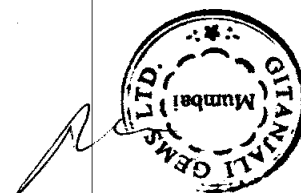
### A) Primary Segment (By Business Segment)

(Rs. in Lacs)

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue						
a) Segment - Diamond	167,906.54	166,790.31	160,672.79	334,696.85	289,474.82	594,435.66
b) Segment - Jewellery	245,040.80	182,610.09	153,779.43	427,650.89	288,401.61	700,745.61
c) Segment - Others	(294.99)	1,133.19	1,104.64	838.20	1,587.81	3,730.40
Total	412,652.35	350,533.59	315,556.86	763,185.94	579,464.24	1,298,911.67
Less: Inter Segment Revenue	19,827.25	12,060.18	18,345.70	31,887.43	24,627.82	49,084.00
<b>Net Sales / Income from Operations</b>	<b>392,825.10</b>	<b>338,473.41</b>	<b>297,211.16</b>	<b>731,298.51</b>	<b>554,836.42</b>	<b>1,249,827.67</b>
2. Segment Results						
Profit / (Loss) before tax and interest from each segment						
a) Segment - Diamond	5,644.25	9,419.93	5,269.37	15,064.18	11,224.47	24,870.74
b) Segment - Jewellery	20,887.80	17,688.26	17,566.51	38,576.06	32,592.32	61,911.61
c) Segment - Others	(227.86)	(191.70)	(686.07)	(419.56)	(940.03)	(1,159.62)
Total	26,304.19	26,916.49	22,149.81	53,220.68	42,876.76	85,622.73
Less						
i) Finance cost	10,178.77	10,893.99	8,055.29	21,072.77	14,954.34	33,773.70
<b>Total profit before exceptional item &amp; tax</b>	<b>16,125.42</b>	<b>16,022.50</b>	<b>14,094.52</b>	<b>32,147.91</b>	<b>27,922.42</b>	<b>51,849.03</b>
3. Capital Employed						
a) Segment - Diamond	151,673.34	151,762.61	143,312.24	151,673.34	143,312.24	142,082.58
b) Segment - Jewellery	175,452.02	162,268.96	131,026.44	175,452.02	131,026.44	154,398.97
c) Unallocated net assets	20,645.62	12,234.71	10,099.53	20,645.62	10,099.53	14,887.22
<b>Total</b>	<b>347,770.98</b>	<b>326,266.28</b>	<b>284,438.21</b>	<b>347,770.98</b>	<b>284,438.21</b>	<b>311,368.77</b>

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

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue						
India	244,624.98	177,592.22	146,177.24	422,217.20	236,087.62	604,689.19
Rest of the world	148,200.12	160,881.19	151,033.92	309,081.31	318,748.80	645,138.48
<b>Total Revenue</b>	<b>392,825.10</b>	<b>338,473.41</b>	<b>297,211.16</b>	<b>731,298.51</b>	<b>554,836.42</b>	<b>1,249,827.67</b>



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# GITANJALI

## Statement of Assets and Liabilities

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	As at 30.09.2012	As at 31.03.2012	As at 30.09.2012	As at 31.03.2012
<b>A EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	9,206.55	9,112.21	9,206.55	9,112.21
(b) Reserves and surplus	263,505.93	244,061.63	338,164.43	300,856.56
(c) Money received against share warrants	-	1,000.00	400.00	1,400.00
<b>Sub-total - Shareholders' funds</b>	<b>272,712.48</b>	<b>254,173.84</b>	<b>347,770.98</b>	<b>311,368.77</b>
<b>2 Minority interest</b>	-	-	5,892.70	5,466.03
<b>3 Non-current liabilities</b>				
(a) Long-term borrowings	61,112.39	62,350.85	65,017.69	64,348.68
(b) Deferred tax liabilities (net)	128.84	118.19	-	-
(c) Other long-term liabilities	3,535.16	644.93	3,167.63	1,785.22
(d) Long-term provisions	333.14	306.47	828.58	883.29
<b>Sub-total - Non-current liabilities</b>	<b>65,109.53</b>	<b>63,420.44</b>	<b>69,013.90</b>	<b>67,017.19</b>
<b>4 Current liabilities</b>				
(a) Short-term borrowings	214,196.58	191,741.40	385,051.01	330,004.48
(b) Trade payables	221,279.34	195,827.34	352,632.42	329,203.69
(c) Other current liabilities	13,965.83	7,314.20	18,297.78	20,309.74
(d) Short-term provisions	3,164.96	3,199.51	9,524.08	5,611.83
<b>Sub-total - Current liabilities</b>	<b>452,606.71</b>	<b>398,082.45</b>	<b>765,505.29</b>	<b>685,129.74</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>790,428.72</b>	<b>715,676.73</b>	<b>1,188,182.87</b>	<b>1,068,981.73</b>
<b>B ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets	3,784.50	3,816.30	29,207.46	28,486.03
(b) Goodwill on consolidation	-	-	5,442.62	5,442.62
(c) Non-current investments	102,391.72	102,254.82	9,801.69	5,296.80
(d) Deferred tax assets (net)	-	-	1,014.28	1,575.44
(e) Long-term loans and advances	34,876.53	27,888.91	41,712.97	30,744.23
(f) Other non-current assets	-	-	1,197.67	2,246.29
<b>Sub-total - Non-current assets</b>	<b>141,052.75</b>	<b>133,960.03</b>	<b>88,376.69</b>	<b>73,791.41</b>
<b>2 Current assets</b>				
(a) Current investments	-	-	0.10	515.10
(b) Inventories	148,876.54	135,547.38	392,321.29	369,372.85
(c) Trade receivables	336,872.97	307,714.28	611,428.12	538,493.90
(d) Cash and cash equivalents	38,497.91	39,056.87	57,742.03	65,244.80
(e) Short-term loans and advances	125,128.55	99,398.17	33,299.30	13,489.04
(f) Other current assets	-	-	5,015.34	8,074.63
<b>Sub-total - Current assets</b>	<b>649,375.97</b>	<b>581,716.70</b>	<b>1,099,806.18</b>	<b>995,190.32</b>
<b>TOTAL - ASSETS</b>	<b>790,428.72</b>	<b>715,676.73</b>	<b>1,188,182.87</b>	<b>1,068,981.73</b>



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# Gitanjali Gems Limited

## Notes:

1. The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 9, 2012.
2. As on September 30, 2012 net GDR proceeds of USD 0.072 million were kept in deposits with overseas banks pending utilization.
3. The Company has opted to publish consolidated financial results from the financial year 2012-13. Standalone financial results are available at the website of the Company: [www.gitanjaligroup.com](http://www.gitanjaligroup.com), stock exchanges: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
4. During the previous year, the Company issued 943,396 warrants convertible into equal number of Equity Shares on Preferential Basis at a price of Rs. 424/- per Warrant to Bennett Coleman and Company Limited (BCCL). Pursuant to notice received from BCCL for conversion of Warrants, Company allotted 943,396 equity shares of Rs. 10 each on August 4, 2012. Consequent to aforesaid conversion the paid up capital of the Company has increased from Rs. 911,220,950/- consisting of 91,122,095 equity shares of Rs. 10 each to Rs. 920,654,910/- consisting of 92,065,491 equity shares of Rs. 10/- each.
5. Exchange gain/loss on foreign currency borrowings have been netted off against other exchange gain/loss.
6. The Company has identified two major reportable segments: Diamond business and Jewellery business.
7. Except for the 12 month period, EPS is not annualized.
8. Formulas used for computation of the ratios:
  - Debt - Equity ratio = Debt / Tangible Network
  - Debt Service Coverage ratio = EBITDA / Finance cost + Principal repayment of debt during the year.
  - Interest Service Coverage ratio = EBIT / Interest on debt.

Debt includes Long Term borrowings(including their current maturities)

9. Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended September 30, 2012:

	Opening	Additions	Disposals	Closing
Number of complaints	-	5	5	-

10. Previous period figures have been regrouped/rearranged, wherever necessary to conform to the current period's presentation.

For Gitanjali Gems Limited



Mehul C. Choksi  
Chairman & Managing Director

Place: Mumbai  
Date: November 9, 2012

